

EXHIBIT 1

Company Name: Rio Tinto

Company Ticker: RIO LN

Date: 2017-04-12

Event Description: Annual General Meeting

Market Cap: 56,746.88

Current PX: 3064.50

YTD Change(\$): -94.00

YTD Change(%): -2.976

Bloomberg Estimates - EPS

Current Quarter: N.A.

Current Year: 4.660

Bloomberg Estimates - Sales

Current Quarter: N.A.

Current Year: 40092.278

Annual General Meeting

Company Participants

- Jan Petrus du Plessis
- Jean-Sébastien Jacques
- John Silvester Varley
- Christopher J. Lynch

Other Participants

- Simon Dubbins
- Yvonne Orengo
- Rodney Barton
- Helen Wildsmith
- Bruce Duguid

MANAGEMENT DISCUSSION SECTION

Jan Petrus du Plessis

Good morning, ladies and gentlemen. It's my great pleasure to welcome you to Rio Tinto's 2017 Annual General Meeting. Thank you for joining us today. I also want to welcome those shareholders joining us online via the webcast.

I'm pleased to report that during 2016, your company delivered a strong performance despite challenging macroeconomic conditions and significant geopolitical uncertainty. Change was a feature of 2016 both in the external environment and within your company. However, what has not changed is our commitment to deliver value to you, our shareholders.

Before I make a few remarks about your company's 2016 performance and our outlook for 2017, let me start with safety. As you know, safety is of utmost importance at Rio Tinto. Every day at all our operations on every shift, our teams start with a safety check. So in keeping with this practice, allow me to draw your attention to the following key safety information shared with me by the facilities management team.

In the event of an emergency, the center's alarm will go off and the venue staff will direct all evacuation procedures. Please follow their instructions and move calmly and quietly towards your nearest emergency exit doors. Thank you for your attention to that announcement.

All of the directors are present at today's meeting either in person or via video link. May I send a warm welcome to Michael L'Estrange and Megan Clark who are joining us today via video link from Melbourne, Australia. I also want to welcome for the first time our new directors, David Constable, Simon Henry and Sam Laidlaw.

All three of our new directors broaden the experience of the board, bringing considerable expertise in the resources sectors. All have enjoyed long careers as executives in multinational businesses and had been directors on the boards of large global companies.

At the conclusion of the Australian AGM in Sydney next month, Robert Brown and Anne Lauvergeon will retire. I want to thank both Bob and Anne for their significant contributions and wise counsel over the years. And in Bob's case, additionally, I would like to recognize the considerable amount of travelling from Canada to either London or Australia for so many meetings over the last seven years. We wish them both well for the future.

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In July of last year, Sam Walsh retired as a director and a Chief Executive. And I thank him for his many years of dedicated service to the company. His successor Chief Executive, Jean-Sébastien Jacques, or J-S as he likes to be called, has hit the ground running with his executive team. They are focused on further strengthening the performance of the business.

When we announced the appointment of J-S as Chief Executive just over a year ago, I committed to the board to serve as Chairman for a further two years as part of a planned leadership transition. Our recent announcement of my intention to retire is, therefore, the logical next step in an orderly succession process. A process to identify and appoint my successor as Chairman is now underway and is being led by John Varley, our Senior Independent Director.

My successor is expected to be announced before the end of the year. And I would, therefore, expect to stand down at any time after that. But in any event, no later than the Australian AGM in May 2018. Although I therefore recognize that this may be my last London AGM that I chair at Rio Tinto, it would be premature of me today to dwell on the past. Much more importantly, I want to reassure you of my ongoing commitment to this company and its people and my determination to serve with total dedication until my very last day in office.

So perhaps I should stop dwelling on the people on the stage and we should start to talk about the real world outside. The global economic and geopolitical environment continued to be volatility in 2016. Stagnant global trade, subdued investment and heightened policy uncertainty after a number of geopolitical shocks resulted in another difficult year for the world economy. Global growth for 2016 was 3% making five years of global GDP growth below the long-term average.

During 2016, most commodity prices increased for the first time in a number of years. As an example, iron ore prices started the year at around \$40 a tonne and ended the year around \$80. However, it's important to note that on average, commodity prices during 2016 were still lower than the year before. The global economy starts 2017 with improved manufacturing conditions but also evidence that cost pressures and tighter credit conditions in the U.S., the UK and China are affecting corporate earnings growth.

It would be a mistake to conclude that our challenges are getting any easier. That is why your company's strategy is the right one, which is to invest in and operate high-quality, as we say, Tier 1, long-life, low-cost, expandable operations in the most attractive industry sectors. Taken together with the strength of our balance sheet, ours is a strategy that seeks to weather tough times and to reward shareholders through market cycles.

Let me turn to our financial results. It's pleasing to report that we have made progress against each of our strategic priorities during 2016, delivering robust earnings and cash generation whilst maintaining balance sheet strength and progressing our high-value growth options. As pointed out a few moments ago, average prices for our products during 2016 was slightly lower than during the previous year notwithstanding the significant uplift in the prices of some commodities in the second half.

However, cost savings and other improvements in the business offset the negative impact of lower commodity prices, resulting in an increase in underlying earnings of 12% to \$5.1 billion. At \$8.5 billion operating cash flow was, however, 10% lower than in 2015 primarily due to working capital movements and an increase in interest paid. This performance reflects a disciplined approach to cash generation and capital allocation.

Turning to the balance sheet. During the year, net debt was cut by more than \$4 billion from \$13.8 billion to \$9.6 billion. This is a great achievement by the management team and once again reflects the significant work over the past years to strengthen the company's balance sheet. It is the combination of our strong balance sheet and our portfolio of high-quality assets that should enable us to continue to reward shareholders through the cycle.

Last year, in response to exceptional volatility, we decided that it was no longer appropriate to maintain our progressive dividend policy. We announced a new dividend policy with a more flexible approach, which better reflects our underlying earnings and outlook.

It balances three factors, maintaining a strong balance sheet, investing for future growth and directly rewarding shareholders. We expect total cash returns to shareholders to be in the range of 40% to 60% of underlying earnings

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through the cycle.

When we announced the change last year, we promised a 2016 full-year dividend of not less than \$0.110 per share equivalent to \$2 billion. I'm pleased to say that we have more than kept that promise.

In February 2017, we announced cash returns to shareholders of \$3.6 billion with respect to 2016. This comprises dividends of \$3.1 billion and a share buyback of \$500 million of Rio Tinto plc shares. This equates to 70% of underlying earnings, exceeding the top end of our dividend policy range. Since 2012, we have returned more than \$20 billion to shareholders, a clear demonstration of our commitment to deliver cash returns to shareholders through the cycle.

While delivering shareholder value is our ultimate objective, our business operations also contribute significantly to social and economic development in the host countries and communities where we operate. Your company is at the forefront of the industry with our commitment to tax transparency. Indeed, we have just released our seventh taxes paid report.

A moment ago I mentioned the \$20 billion in returns to shareholders since 2012. As context, I might mention that over the same period, we have paid more than \$32 billion in corporate taxes and royalties.

In 2016, we made direct economic contribution of \$35 billion to the host countries and communities in which we operate. This includes \$4 billion in taxes and royalties paid globally. Rio Tinto is a major contributor to society. And we are proud of the economic activity and wealth we generate through the multiple payments we make in the form of taxes, royalties, employee wages, supplier contributions and investment in communities.

Our stakeholders have an increasing interest in how we are preparing for and how we contribute to a low-carbon future. In response to a shareholder resolution adopted at our 2016 Annual General Meeting, we recently published our first climate change report which provides information on our approach.

In the context of our carbon emissions, carbon pricing and our portfolio; I wish to draw a few key points to your attention. We set our first greenhouse gas emissions target almost two decades ago in 1998. In the same year, we started using carbon pricing in our business modeling and decision-making.

We own 4,000 megawatt of hydropower, most of it in Canada. Of the electricity we consume, 68% is from renewable sources in the form of hydro, solar or wind. Of the electricity we generate, close to 10% supports local talent and communities.

And finally, since 2008, our CO2 emissions have fallen by a third and our emissions intensity by a quarter. Our climate change report captures our many commitments in this area and provides more insight into our approach.

In future reports, we will provide more information on scenario planning and climate risks. We are very focused on continuing to provide metals and minerals essential to support the world's large and growing resource needs. We're also committed to continue to do this in an energy efficient and socially responsible way.

As part of discharging its overarching governance obligations, the board believes it's important that directors regularly undertake site visits to key projects and operations.

During 2016, the board visited Oyu Tolgoi, our world-class copper and gold operation in Mongolia. It is a truly remarkable business, and we are proud of the fact that it is one of the most safest and most diverse in our portfolio.

We were very impressed by the quality of our Mongolian leadership team and by the commitment of the employees we met. And while speaking of governance, it will be remiss of me if I did not acknowledge the upsetting events of the final months of last year.

On the October 9, 2016, we announced following an internal investigation – an investigation supported by external counsel that we had notified the relevant authorities in the U.S., the UK and Australia about potential contractual payments totaling \$10.5 million made to a consultant providing advisory services on the Simandou project in Guinea.

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On the December 1, 2016, Rio Tinto confirmed that it was co-operating with relevant authorities in connection with an investigation into the impairment included in the company's accounts in 2012 in respect of Rio Tinto Coal Mozambique.

The outcome of these regulatory investigations, and any potential litigation, is uncertain, and I'm sure you will understand that there is unfortunately little more that I can say at this time. However, I want to assure you that the board is giving these matters its full and proper attention. In addition, we've established a dedicated board committee under my chairmanship to monitor progress. We are continuing to fully cooperate with the relevant authorities.

In closing, there is no doubt that the market and the geopolitical environment will continue to present us with the challenge of navigating both volatility and uncertainty. But this is not new to us. Indeed these elements have characterized so much of our recent past, and will no doubt continue to be a feature of our future.

As you've heard me say before, your company performs well during challenging times, and I believe our 2016 performance proves this point.

We are certainly not complacent, but we are in good shape. We have a strong balance sheet. We have world-class assets delivering strong earnings and cash performance. We have high quality growth options, and most importantly under J-S's leadership, we have a strong and talented management team supported by 51,000 committed employees around the world. I feel confident your company has a great future and is in good hands.

Ladies and gentlemen, in closing, I would like to thank you, our shareholders, for your ongoing commitment and support.

Thank you for your attention. And with that, I have the pleasure of handing over to our Chief Executive, J-S Jacques.

Jean-Sébastien Jacques

Thank you, Chairman. Good morning all. I'm privileged to be standing here as your Chief Executive for the first time. I'm very proud of our world-class assets and our talented employees, and I'm also committed to delivering superior shareholder returns in the short, medium, and the long-term.

2016 was all about delivering on our promises to maximize cash generation through our value over volume approach, to strengthen our world-class portfolio of assets, to invest in quality growth, to make our strong balance sheet even stronger. We delivered our promises, and most importantly, we delivered superior cash returns of \$3.6 billion to you, our shareholders.

I'm very proud of what the team has achieved against a backdrop of volatile markets and geopolitical shocks. Continuing change is the new norm, and navigating uncertainty with excellence is what leading companies must do, and we have been very, very busy.

Every day, every shift, we look for ways to make further improvements in the business from mine through to market to drive superior cash performance. This approach is what has set your company apart for over 144 years, and it will continue to drive our future success.

Last year, we confirmed our 10-year strategy, which outlines our path to sustainable and superior value creation. Value creation that will benefit us and should benefit our communities and employees, our suppliers and our customers.

At the center of our value creation model is our 4Ps, performance, portfolio, people and partners. Let me touch on each of these in turn, starting with performance.

Of course, vital to our superior performance is making sure all of our employees around the world are safe. This is why at Rio Tinto, safety comes first. In 2016, most aspects of our safety improved, which is positive, but getting better is simply not good enough. Our safety performance will never, never be good enough until every one of our employees and contractors returns home safe.

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In June, we lost a colleague at one of our Iron Ore operations in the Pilbara, in Western Australia. I met with his family 48 hours after the accident. It was an experience I will never forget. And at some of our non-managed joint ventures, Alumar, in Brazil, Grasberg and Escondida, six people died during the year. This is a tragedy.

We're working very closely with our partners to support their safety performance. Over the past 18 months, we have implemented our critical risk management system or CRM across more than 60 sites, and completed more than 1.8 million safety verifications to-date. CRM is an important tool in our drive for no fatalities, but of equal importance is excellent safety leadership.

One of my favorite jobs is presenting the winners of the group's overall safety award. In 2017, this went to the Aluminium group's Boyne Smelters, in Gladstone, Australia. This team has improved their safety performance year-on-year, while also increasing productivity in a really tough operating environment. This is what great safety leadership is all about.

Now, let me move on from safety to talk about our financial performance. As Jan outlined, 2016 was all about maximizing cash flow from our world-class assets through our value over volume approach. We are very focused on EBITDA margin performance and productivity in all of our businesses.

During 2016, we generated EBITDA of \$13.5 billion, representing a margin of 38% for the group, up from 34% in 2015. We achieved this while mentioning a strong balance sheet, building compelling growth, investing for the future, and last but not least, returning cash to you, our shareholders.

Turning to the product groups. In 2016, the Iron Ore business delivered cash from operations of \$5.6 billion and industry-leading FOB EBITDA margins of 63%.

In Aluminum, we produced \$2.1 billion in cash from operations and EBITDA margin of 28%. The Copper & Diamonds Product Group delivered cash from operation of \$987 million and had operating EBITDA margins of 35%. The Energy & Minerals Product Group matched production with market demand, generating significant cash from operations of \$1.4 billion and the FOB margins of 30%.

Now, let's turn to productivity, a key driver of performance. Since 2012, cost savings of more than \$7 billion have been achieved, and we are on track to deliver our promise of \$2 billion in cost savings across 2016 and 2017. In fact, we have already delivered \$1.6 billion, so the momentum is clearly there.

This level of success can only be reached through everyone across Rio Tinto working together with the same goal. It is this commitment to achieve our goals that sets Rio Tinto apart and gives me the confidence that when we make promises, we can and we will deliver them.

But it's clear that cutting costs can only deliver so much, we must also lift our productivity. Increasing the productivity of \$50 billion asset base is the highest return within our control. We have promised to deliver an additional \$5 billion of free cash flow over the next five years. We will lift productivity across the entire organization through technology and by improving the utilization of our fixed assets, resources and systems.

Let me give you an example, on average, each of the 76 autonomous haul trucks in our Iron Ore business in Pilbara operates at 15% lower cost than the normal truck. At the heart of our strategy, our world-class assets, and this brings me to the second P, portfolio. It is important to note that 75% of our world-class asset portfolio is located in the Australasia/Pacific regions and 100% of our growth is here as well, with around 70% of our sales to customers in Asia.

We see further growth in Asia on the back of the One Belt One Road initiative launched by President Xi. And this is why I spent a lot of time in Asia visiting China five times in the last nine months. And I have been to Australia eight times over the same period.

During the year, we strengthened our portfolio even further. We announced disposal of more than \$1.3 billion, including the sale of our aluminum assets in Lochaber in the UK in December 2016. We gifted our 53.8% shareholding in Bougainville Copper Limited to an independent trustee. We believe this is the best way to once again deliver benefits to the communities and governments from this asset.

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We also approved the gifting of the Bunder diamond project to the State Government of India in 2017. And in January, we announced the divestment of our thermal coal business in Australia for up to \$2.45 billion, which subject to approvals should complete later this year.

Our strong balance sheet has meant that our productivity drive is not at the expense of growth, and we will continue to invest wisely where we see quality opportunities for attractive returns.

In 2016, we progressed our three compelling growth projects, which play to our strengths. In line with our strategy, they are all multi-decade in outlook and offer highly attractive returns. They create jobs at a time in the cycle when many others are not able to invest.

In May, work started on the underground development of Oyu Tolgoi in Mongolia, the highest quality copper project in the world today. First production is expected in 2020. During the construction phase, we expect there will be around 3,000 extra jobs.

The new Silvergrass iron ore mine forms part of our integrated Pilbara system which includes 1,700 kilometers of rail and four ports to serve more than 100 customers globally. Just last week we announced that around 500 new jobs will be required during the construction phase.

In Cape York, Australia, the Amrun bauxite project is progressing well. And just over 1,200 people will join the site during construction later this year. The projects build on our expertise as a supplier of quality bauxite from the area, which Rio Tinto discovered more than 60 years ago.

The third P is about people. I've been lucky enough to visit many sites and meet many of our great teams around the world since becoming Chief Executive. I would like to thank our 51,000 people for their efforts during 2016 and their commitment to stepping up further in 2017. We know there is more to do. We have a number of new initiatives underway in relation to employees. For example, we are building both commercial and technical expertise, as these are key enablers of our performance. We also plan to invest in our graduates and develop our top talent in a more focused way.

We are a dynamic company, operating globally and we must do more to attract the best of the next generation. We are actively working to further build the diversity of our teams, so they better represent the 35 countries in which we operate and improve our gender mix. We know we have more to do to improve diversity across the entire company, and we are working on it right now, starting with the top team.

Our Rio Tinto Executive Committee is now almost 30% female and there are a number of nationalities represented at the top table, including Australia, Canada and Mongolia. This was an important first step and there is no room for complacency in this area. The change starts at the top and I expect all leaders across the business to do the same.

On the positive note, 46% of our graduate intake were women, but we know that it's not just about diversity, inclusion also matters and we are working on this as well. Clearly, how we do things is as important as what we do. Integrity and The Way We Work, our global code of business conduct guide our actions, and our commitment to them is non-negotiable.

Moving to the final P, partners, in a world that is becoming more and more connected, and interestingly complex, partnerships are absolutely vital for our long-term success. They help us manage risk in the short-term and secure access to new resources and markets for the long term. We see effective partnerships as a make or break for our industry.

And that is why I've spent a lot of time meeting with our customers, for example, in Japan and China. And by the way, our first shipment to China was over 100 years ago. I've also met with many officials from our host governments in Australia, in Canada, in Mongolia and the U.S. to name but a few. We know our partners and employees expect us to be responsible, especially when it comes to the environment.

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Our climate change, as Jan mentioned, we set our first emissions target almost 20 years ago and around 68% of our electricity is from hydro, wind and solar power. And we work with many associations and partners to share best practices in this area. Of course, sometimes it is easier to measure our partnership success by looking at the long-term picture.

In the past 12 months, we have celebrated achievements of real historical importance. Last August in Australia, we marked 50 years of the company's first shipment of iron ore from the Pilbara to Japan. It was great to be part of the groundbreaker celebration in Perth and to see our pioneering spirit in action.

It reminded me that operations take years and years to plan and deliver benefits for decades. The benefits of taxes, wages and procurement are shared across multiple generations. This year will mark 30 years of the iron ore Channar Mining Joint Venture in the Pilbara with Sinosteel Corporation. This was the first iron ore joint venture between Australia and China.

So, let me close with a summary of where we are. We are confident about the megatrends of population growth and urbanization over the long-term. But if the political and economic changes of the past year teach us anything, it is to expect the unexpected.

Rio Tinto is in a strong position. Our strong balance sheet, world-class assets and talented employees will help us to be more resilient during volatility. We have the right strategy to make the most of all the opportunities that come our way. And no matter what the pace of economic growth or changes is, Rio Tinto's purpose will continue to be to pioneer the production of materials essential to human progress, as we have done since we first set up shop 144 years ago.

In 2017, we will do all we can to improve safety, to maximize cash performance, to drive our productivity agenda, and again deliver superior returns to you, our shareholders.

Thank you for your support and confidence in our company.

On this note, back to you, Jan.

Jan Petrus du Plessis

Thank you, J-S. Ladies and gentlemen, let us now proceed with the formal part of today's meeting. The notice of meeting containing the text of each resolution was published on our website on the 2nd of March and posted to shareholders on the 10th of March. This also contained supporting notes designed to give further clarification and background. Copies of the notes of this meeting are available in this auditorium. If anyone does not have a copy, please raise your hand and an attendant will bring you one.

You should note that resolutions 1 to 19 will be dealt with under the joint electoral procedure with Rio Tinto Limited shareholders who will cast their votes on these resolutions at the corresponding meeting in Sydney on the 4th of May. Resolutions 1 to 18 relate to the routine business of annual general meeting such as the receipt of the Annual Report, the election of directors and the appointment and remuneration of the auditors.

You will note that the notice of meetings states that Simon Henry's election as a Director is to be effective the 1st of July 2017. However, on the 22nd of March, after the notice had been dispatched to shareholders, we announced that the effective date of this appointment have been brought forward from the 1st of July to the 1st of April.

I propose to leave the shareholder resolution as drafted with an effective date of the 1st of July to avoid the procedural complexity of amending a resolution put to the meeting. Assuming that the resolution passes, the board will reappoint Simon Henry as a Director by board resolution at the conclusion of this AGM, as well as at the conclusion of the Australian AGM. This partnership will ensure that Simon is able to continue to serve as a Director until the 1st of July when the shareholder resolution takes effect.

As Jean-Sébastien Jacques was only appointed as a Director after we had published last year's notice of meeting and send it to shareholders, he did not stand for election by shareholders at that meeting. He is therefore formally standing

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for election for the first time by shareholders at this year's AGM.

You will see that the business of the meeting include three resolutions dealing with remuneration. These relate to the approval of the group's 2016 Remuneration Report under UK and Australian law, respectively, as well as the resolutions seeking shareholder approval of potential termination payments under Australian law. And in a few moments, I will ask the remuneration committee chairman, John Varley, to talk to these resolutions and say a few words on the subject of executive remuneration.

With this you included a resolution seeking authority for Rio Tinto plc to make political donations. I want to assure that it is not purposed or intended to alter the company's policy of not making political donations. However, it may be that some of our activities in the ordinary course of business falls within the widely defined, widely drafted definitions of political donation or political organization under UK law. Therefore, the authority being sought from shareholders is purely a precautionary measure to ensure that Rio Tinto does not inadvertently breach UK law.

Resolutions 20 to 23 will be vote on by Rio Tinto plc shareholders only. These resolutions, with resolutions 21 to 23 have been proposed as special resolutions related to the ability of the directors to manage the capital of the company and to call general meetings of the company on not less than 14 days' notice, if necessary. The required notice of the meeting has been given and a proposed day [ph] for that (38:33) with your consent and notice the meeting should be taken as read, you all agreed?

Thank you. Before we proceed to questions, and as mentioned earlier, I want to ask John Varley in his capacity as a Remuneration Committee Chairman to say a few words on the subject of executive remuneration. John?

John Silvester Varley

Thank you, Jan, and good morning, ladies and gentlemen. I'm going to spend a few minutes giving you some context on the three remuneration resolutions for which we are seeking your approval today. These resolutions are numbered 2, 3, and 4. We've structured the voting arrangements in the same way as last year. This means that all shareholders can vote on all three resolutions.

Let me remind you how our Remuneration Report is structured. The Report is divided into two sections. The first section, the remuneration policy, summarizes our compensation policies and practices. The second section is the Annual Report on remuneration, which we call the Implementation Report. This shows how the remuneration policy has been applied in 2016 and how we intend to apply it in 2017. The Implementation Report is subject to an advisory vote for UK law purposes. This is Resolution number 2. The Remuneration Report as a whole, as usual, is subject to an advisory vote for Australian law purposes, and this is Resolution number 3. Resolution number 4 seeks shareholder approval of potential termination payments, which are governed by Australian law.

We believe that it's appropriate and prudent to seek your approval of this Resolution. So that certain termination arrangements could be applied to individuals who host managerial or executive roles, always in line with our remuneration policy, but without any risk of a breach of the Act or of their contract of employment.

A similar resolution was approved by shareholders three years ago. I emphasize that support of this resolution will not cause shareholders to approve any change, and in particular, any increase in the termination provisions that would otherwise have been applied to an outgoing employee under our remuneration policy. If you approve Resolution 4, it will be effective for three years. Resolutions 2, 3 and 4 are to be voted on at the Annual General Meetings as joint decision matters by the shareholders of both Rio Tinto plc and Rio Tinto Limited voting collectively.

The committee determined that for 2017, there will be no annual salary increases for the Chief Executive or for the newly appointed members of the executive committee. And consistent with prior years, annual salary increases for other executives are in line with the base salary budgets applying to the broader employee population.

Turning to awards. Under the short-term incentive plan or STIP, targets were in the main exceeded. In the area of safety, the group's all injury frequency rate in 2016 maintained the level of 2015, which itself was a significant

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improvement on 2014. There was also a reduction in the number of lost time injuries.

And we commenced the implementation of our critical risk management program, which as you heard, is designed to help us eliminate fatalities. The combined performance against all three safety components meant that the group achieved a safety result just above target.

However, as you heard, a colleague died at our Western Australia operations last June. Reductions were therefore applied to the safety element of the STIP for the Chief Executive and certain other executives in accordance with our remuneration policy.

When considering financial performance against the annual plan, we measure half against the original plan. The other half is flexed to exclude the impact during the year of fluctuations and exchange rates at metal and other prices, which are outside management's control. And we've used this approach since 2005. When commodity prices have risen or there have been favorable exchange rate variations, we have protected shareholders by ensuring that 50% of the financial component of the STIP opportunity is denied the windfall benefit of that rise.

Likewise, when commodity prices fall or there are negative exchange rate variations, 50% of the STIP opportunity is safeguarded against that fall. We consider that this approach maintains an appropriate balance between protection for shareholders and incentive for executives even in times of significant earnings volatility.

In relation to the 2016 financial targets, the Remuneration Committee determined that the targets, both flexed and unflexed were exceeded. It's worth noting that these targets were set early in 2016 when there was a very subdued outlook for commodity prices. For example and as you've heard, Iron Ore prices started 2016 at \$40 per tonne and ended the year around \$80 per tonne. These pricing features helped management, but only in relation to the unflexed targets. Of course, shareholders also benefited from the unexpected increase in commodity prices with a consequent strengthening in share price and dividend payment capacity.

Turning to the long-term incentive plan, the Committee looked carefully at the group's overall performance versus targets during the four-year performance period, and it concluded that a partial vesting of awards was justified.

The 2016 single total figures of remuneration for J-S Jacques and Chris Lynch are higher than last year. The former was primarily because J-S's base and variable pay increased when he became Chief Executive at the beginning of July. The latter was largely because this is the first year that Chris has received a vested LTIP award.

The board has determined that it would be inappropriate, while investigations arising from the Simandou project are ongoing, to make any determination about Sam Walsh or his outstanding remuneration. The company has therefore reached an agreement with Sam to defer the payment of his 2016 STIP award and all-remaining unvested LTIP awards for a minimum of two years.

Now, I know that shareholders expect to see strong alignment between the value of their shareholdings and the equity-based wealth of executives. 50% of the annual STIP awards are deferred into shares for three years, specifically to ensure that a material proportion of short-term pay is exposed over the medium term to fluctuations in our share price. And, of course, all long-term compensation is paid in shares.

We have an ongoing dialog with shareholders about pay, and I look forward to continuing that dialog during 2017, as we prepare to present our updated remuneration policy for shareholders at the 2018 AGMs. The Committee seeks to remain alert to evolving best practice in the area of executive pay and to the views and guidance given to us in the conversations that we have with our owners. As always, we welcome your feedback.

Back to you, Jan.

Jan Petrus du Plessis

Thank you, John. Ladies and gentlemen, I shall like to proceed by dealing with all questions from shareholders on any matters relevant to the business of the meeting at the outset, before we move on to voting on the resolutions themselves.

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YTD Change(\$): -94.00

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This allows us to handle this meeting more efficiently and give shareholders ample opportunity to ask questions.

So let me explain the arrangements for asking questions. If you have a question on any of the resolutions, please hold up the yellow or green-colored card in the lanyard, which you've been given at registration.

To ensure that everyone watching by video and webcast can hear when I invite you to ask your question, please wait until a microphone is brought to you. Before asking your question, please state your name; and if you represent an organization, then name of the organization. Kindly return the microphone when you've asked your question.

As many people usually want to ask questions at our meetings, may I please ask you to keep your questions short and to the point. In order to give as many of you as possible the opportunity to ask questions, I will discourage supplementary questions from those who have already spoken. I do not, of course, wish to constrain debate and discussion in the meeting today. So I hope that's clear.

If you're entitled to vote at today's meeting, you should have been handed a poll card when you registered this morning. If you do not have one, please raise your hand and an attendant will bring you one. When we finish the question-and-answer session, I will ask you to complete your poll card. I'll now invite you to ask any questions you may have on any of the 23 resolutions being considered today.

So I'm going to go with the gentleman who is very keen right on the right-hand there, please.

Q&A

<Q>: My name is [ph] Pert. (49:16), that is the surname. I've been a shareholder for Rio Tinto since I was a little boy in short trousers, and that was a long time ago. I want you to take onboard, which isn't a 100% clear from the report for now and for the immediate future.

My personal circumstances are that I have no earnings. I'm retired. So income is important to me from investments. I want you to give emphasis, please, to raising the value of dividends from the earnings that you are making from the company. I'm less interested in the share price fluctuation or currency fluctuations. I want to hold on to my shares. They can go with me into my coffin. But until then, please, I need the income.

<A - Jan Petrus du Plessis>: [ph] Mr. Pert (50:16), firstly, thank you for your observation. In fact, thank you for being probably the most loyal shareholder in the room, although there might be others, but thank you for being such a loyal and supportive shareholder. We appreciate that. We need more people like you on our register.

So let me start, I think you make a point that we respect. We regularly talk to shareholders on exactly this point, the extent to which they want dividends and the extent to which they like buybacks. And I think it's fair to say to you that our shareholders are split on this.

As for example, I can say to you that in the last few weeks, I've met 15 shareholders in London with some of our big institutions, and this topic comes up regularly. I've discussed it with them often over the years. I think it's fair to say that roughly 50% of our shareholders love share buybacks, and roughly 50% of them don't like them, and they say, give us more dividends. So I hear your plea, I really respect that. And I will say to you, we will take that into consideration in future decision-making.

What I can't commit to you and I think it should be obvious from what I said this morning and from what J-S said this morning, we understand that over the long cycle, shareholders like you are interested in cash returns, because shares go up, they sometimes go down. And over a long cycle, as shareholder like you would say to me, Jan, what have I got out of Rio Tinto because your shareholding today is approximately where it might have been in few years ago. So cash returns are important and I commit to you this morning that we understand it and we will continue to respect that in the years ahead. Thank you.

Question perhaps on this side of the room? There is a gentleman with the yellow card. There as well, yeah, just behind you there.

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<Q>: Thank you. My name is [ph] Andy Whitmore (52:04), I'm an individual shareholder. My question is with regard to the Ranger Uranium Mine in the Kakadu National Park heritage area of Australia. So it's good that you made a formal commitment to ensure sufficient funds available for the full rehabilitation of the mine. Ranger has been operating for almost four decades and is due to completely cease operation in 2021. Some rehabilitation works are underway, but there's much work yet to be done.

I wanted to stress that many stakeholders will be closely watching the situation. It's vital that the company's international reputation – it's vital for your international reputation that Rio's commitments are comprehensive cleanup is upheld, and that the Mirarr Traditional Owners in Kakadu National Park are not left with a long-lasting contamination legacy for the Ranger Uranium Mine. Given this, I'm wondering whether you could provide an update about the anticipated timeframe and budget for the rehabilitation.

<A - Jan Petrus du Plessis>: [ph] Mr. Whitmore (53:06), first of all, thank you for your observation. Thank you also for acknowledging that we have clearly committed to do what's right in terms of environmental management. I think we discussed it before. And I can just restate to you today that we absolutely understand the need for ERA, which is a subsidiary of Rio Tinto, to make sure that it meets all of its environmental obligations. So I absolutely understand that. I must confess if it comes to the latest status of timing, I'm going to have to look at our Chief Executive because to be honest, I didn't quite expect that particular question. J-S, can you help?

<A - Jean-Sébastien Jacques>: Yeah, no worries. Good morning, [ph] Andy (53:42). I went personally to the ERA site in December as you may know. The team is working on the plan, on the comprehensive plan. We still have some time. We still have at least five years ahead of us. What is very important – what we're doing today is really to engage with all the stakeholders starting with the traditional owners of the land because they have a very specific interest around the airport and around the town because they have a view that potentially they could develop tourism in these regions.

So the only thing I can tell you is to restate what Jan said is we are very clear what we have committed to. And you saw we put the money, we put the conditional loans to make sure there is enough cash, enough financial facilities in order to make sure we deliver on this one. But the conversation with the landowners is taking place as we speak, especially in the context of what infrastructure we'll leave in place so that it can benefit from them for many, many years to come. So we will inform the market. Remember, as Jan said, it's ERA. It's independent subsidiaries. But we are very clear what we want to do. And that's why I went there personally in December to have a first-hand experience to understand the scale and to understand what we're doing. And I believe I can tell you today that we're doing the right thing here.

<Q>: Great. As long as those negotiations are ongoing, the transparency is there. That's wonderful. Thank you.

<A - Jean-Sébastien Jacques>: The negotiations are ongoing and we'll inform the market.

<A - Jan Petrus du Plessis>: Thank you, [ph] Mr. Whitmore (55:15). And as J-S said, there are no ifs and buts to this particular commitment. Can I go to the middle of the room? Some of – there's a gentleman here in front with the yellow card. Yeah, just one second. We'll get the microphone to you, sir.

<Q>: My name is [ph] David Quint (55:28), individual shareholder. Two questions, if I may. To what extent do you achieve effective double taxation relief for creditable foreign taxes? The other question is I heard on the radio that an undersea mountain had been discovered with rare earth minerals. Would you be involved in that sort of project, extracting such rare earth minerals?

<A - Jan Petrus du Plessis>: [ph] Mr. Quint (56:05), thank you. Yes, I must say I saw the coverage on last night's 10:00 news on rare earth minerals. I was quite intrigued. My wife was very excited because she thought it sounded very exciting. I'm not sure we're quite there yet. J-S, do you want to comment? I saw the program, but I really can't say anything more than that.

<A - Jean-Sébastien Jacques>: I saw it as well. Well, I saw it on TV for obvious reasons. No work in that space at this point in time.

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<A - Jan Petrus du Plessis>: But an intriguing proposition. Chris, why don't you address the question of double taxation relief, please.

<A - Christopher J. Lynch>: Yeah. Thanks very much, [ph] Mr. Quint (56:41). In the main, we do get relief on double taxation not without some challenge being required from time to time. But we do generally get a situation where we pay tax in one jurisdiction and that's offset in others. But we do have to make sure we stay vigilant to that to make sure that we pay the appropriate amount of tax but no more on the basis of shareholder value.

<A - Jan Petrus du Plessis>: Thank you. Yes, the gentleman in the blue shirt there on the right-hand side of the isle there.

<Q>: [ph] John Forma (57:21), Chairman, a shareholder. There are two questions on pay and share repurchases. But first, a quick request that Rio Tinto having at last avoided its AGM clashing this year with another FTSE 100 company, BP p.l.c., as in 2011, 2012, 2013 and 2014 and 2016 and overlapping last year with Smith & Nephew plc; will you please avoid future clashes to uphold the spirit of the UK Corporate Governance Code, which says that the board should use the AGM to communicate with investors and encourage their participation? We cannot be in two places at once and a clash in April is absurd. Would you care to respond on that before I go on, Chairman?

<A - Jan Petrus du Plessis>: [ph] Mr. Forma (58:17), I will simply say with a smile that we were discussing you in person about an hour ago at our board meeting. And we were comparing notes as to what [ph] Mr. Forma (58:26) will say this morning. I was wrong. I thought [ph] Mr. Forma (58:29) is going to say, thank you very much, well done. But clearly, [ph] Mr. Forma (58:32) says, no, thank you very much, don't do it again. So I hear what you say.

<Q>: The next question is on pay and essentially why does Rio Tinto plc pay so much for so little. The Financial Times, 9th of February, referred to profits this year of \$4.8 billion compared with a loss last year of \$1.7 billion and attributed Rio Tinto a recent success to commodity price increase and cost cutting. Last year, you announced a rebasing of the dividend. Yet in Annual Report, page 67, you profess to understand that the shareholders aspire to long-term returns throughout the cycle. Now, if this business is accurately cyclic, you should in 140 years have worked out the cycle. I suggest to you, however, it's better described as fluctuating largely because of commodity prices.

In Annual Report, page 96, column 1, the remuneration report graph shows a not particularly exciting eight-year total shareholder return of some 180%. Last year, 2016, it was 100%. In 2015, a paltry 26.6%. That same column, higher, shows that total shareholder return has been negative in two of the last three years. And indeed if you look at the graph, you will see also that trend since 2012 has been, if anything, downwards. Yet still, in the UK, fifth or sixth largest economy in the world, where median annual earnings are some £26,000 to £28,000 and where even the Prime Minister supposedly running the country is paid some £142,000; why should you be paid five times as much for chairing one mining company and your non-executive directors some £95,000-plus for part-time work? And why are we paying the finance director, never mind the Chief Executive, £3.6 million and the Chief Executive's remunerations, of course, uncertain because of a scandal?

So notwithstanding what Mr. Varley has said, having made something of a career as remuneration committee chairman after AstraZeneca and having been investigated as he has been by the Serious Fraud Office for questionable fundraising at Barclays; please explain more succinctly than his remuneration report, which occupies a sixth of the annual report, when there's going to be greater attention to shareholder return rather than the remuneration of the board, which is arguably parasitic on this organization given that the shareholder returns are meager and fluctuating. And I'd just point out to you that same page, 96 quoted shows that share price since beginning 2012 at £31.25 has barely moved to end 2016 at £31.59. You've given us some dividends, but what about capital appreciation? Over to you, Chairman. And I stress I have another question about share repurchases. Thank you.

<A - Jan Petrus du Plessis>: [ph] Mr. Forma (01:03:19), I will hand you over to John Varley in a few moments because most of what you said is about pay. I guess the only point you did make which I think I need to respond to is the question of dividends. I think, yes, we've been in the business for 140 years. Yes, we know it's a cyclical business. It's always been a cyclical business. It always will be a cyclical business. That does not mean you know how to read the cycles. And therefore I must rightly say our ability to predict what we may be earning in two, three and four years' time

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from now is quite limited because we're in a cyclical business. That is why I firmly believe that the change we made last year to adopt a different dividend policy which is more flexible or which allows us to compensate the shareholders more in line with the cyclical nature of the business is the right one. But I think I've already said that. I'm actually just responding in brief to the point you made in terms of dividends and the cyclical nature of the business. You've made a whole number of observations on pay. And I think John Varley – John, I just want to hand it over to you.

<A - John Silvester Varley>: Thank you, Chairman. Good afternoon, [ph] Mr. Forma (01:04:23). Well, let me make one or two general comments and then I'll try and address the specific issues that you've raised. But I'll try and do so succinctly nonetheless. First of all, as you know, as a result of changes in regulation, particularly here in the United Kingdom; I would say that there's been something of a democratization of the process of determining remuneration policy. It's subject to votes and I think that's a positive and progressive development. And what that means is that the framework within which we pay people is essentially prescriptive.

We put our policies to you, our shareholders. We'll next do that at the AGMs next year. And you will have the opportunity of voting on them just as you did three or four years ago. The structure of pay is, in fact, clearly delineated in the remuneration policy. And if shareholders don't like what we propose, then they will have their opportunity to vote on it next year just as they have done this year.

And I would say that as a result of that change in regulation, the discretions reserved to a remuneration committee – there have to be some. And I think it's good a thing that there are so that we can apply our judgment. But those discretions have been somewhat reduced. So you know at the beginning of each year what the compensation opportunity is for the executives and indeed the non-executives. It's clearly spelt out in the remuneration report. You can see that for yourself.

One other general point before turning to your specifics. I mentioned in the remarks that I made that we have an active dialog with shareholders. In a sense, it would be very convenient for the remuneration committee if there were complete consensus among shareholders on what their views as to remuneration structure should be, but there isn't. And therefore we have to listen. We take account of what we hear. And then we make our judgment and present that to you as we will do in a year's time.

On one or two of the specifics that you raise, total shareholder return, it is, as you know just as well as I know it, [ph] Mr. Forma (01:06:36); this is a relative measure. What we've tried to do is to safeguard the interests of you and other shareholders by having two TSR measures. As you know, one is a measure by reference to global mining performance and the other is a more general MSCI measure. And we introduced that specifically some years ago to try to ensure that even in circumstances perhaps even with a negative TSR, we outperform the mining index; that there was a break on the remuneration consequences of that.

When the performance may be negative, TSR performance of the company were exposed to the MSCI benchmark. And that is precisely what's happened over the course of the last two or three years creating, as I would see it, significant protection for shareholders. And another feature of protection was the one that I had specifically referred to in my remarks, which is the flexing to ensure that windfall benefits are sheltered and that shareholders' interests are thereby protected.

You made some comments about quantum. I fear I've got nothing particularly interesting to say to you in response to that save that this is a matter that you and I have discussed before. We have to take careful account of the market. We have to ensure that on your behalf, we employ and retain the best human capital that is available in this sector for Rio Tinto. We strive to do that. But believe me, we don't want to spend a penny more than is necessary. And we regard it, as the remuneration committee, as our fiduciary duty to you to safeguard your remuneration resources. Thank you.

<Q>: Chairman, just before going on, I'd say another side of what Mr. Varley has just said is that if you underperformed an index, you've underperformed, which adds force, I suggest, to my argument that you're paying a lot for a little. However, let's let that rest.

The other question is much more concisely expressed. You've announced a \$500 million share repurchase. What quantification have you of total shareholder return benefit expected from this or is it just an act of faith? As recently as

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the Smith & Nephew plc AGM last week, the chairman said in answer to a question not actually from me that share repurchases just tend to be subsumed by other factors. In other words, the theoretical justification of taking some shares out of circulation so that earnings are spread over fewer and therefore assuming a rigid price earnings ratio as share price will go up does often not materialize. Now I've been saying this at, as a generality, of AGMs for some years. And I'm disconcerted that you seem to be either spontaneously or you because you're succumbing to institutional investor pressure, spending a significant amount of money which would be worth more to shareholders, either invest it in the business or pay it as dividend. Over to you, Chairman.

<A - Jan Petrus du Plessis>: Thank you, [ph] Mr. Forma (01:10:11). Look, I think I shouldn't repeat everything I've said earlier. But in brief, just to say, on the principle of share buybacks, I recognize, as you say, 50% of our shareholders love it and 50% don't like it. I've made the point before, so I don't think I need to repeat that. With regard to share buybacks, we think that in principle the use of a share buyback program from time to time to supplement your regular annual dividends is an important component of our ability to look after shareholders. And I expect that will continue to be the case into the future. Now, but I can't remember – I'm going to have to turn to our CFO here. Chris, in 2015, the share buyback program, can you just remind us what did we do at the time? I can't remember. I suppose about two years ago, the program we had then.

<A - Christopher J. Lynch>: Yeah, pardon me. In 2015, we spent \$2 billion on buybacks. In the plc stock, we bought just under 41 million shares at £25.11. If you go to today's price, it's about a 30% in the money position on the rough numbers. And in the limited stock, we bought 11.6 million shares at £48.44. The market there closed last night at £61.89. So it's about a 28% in the money position on those two transactions. I think the other point I'd just like to make regarding this year is the \$500 million is in addition to honoring the top of the guidance range we gave on the dividend of 40% to 60% through the cycle. So we did pay that as a dividend.

And to your comment about the – elsewhere deployed in growth, clearly, we've got a growth agenda underway now where we've got three major projects underway, the Amrun bauxite project, the Oyu Tolgoi underground, which is a \$5 billion investment over five years, and we've got the Silvergrass project in iron ore. Beyond that, we don't have a lot of shovel-ready projects that we could bring into the growth equation and we do look at opportunities for other deployment of capital into growth. But we've got a market guidance in the market for this year of \$5 billion for capital expenditure including both sustaining and growth capital. And the next two years, 2018 and 2019, the guidance is for \$5.5 billion for growth capital and sustaining capital.

<A - Jan Petrus du Plessis>: Thank you, Chris.

<Q>: Thank you. [indiscernible] (01:12:44) remark that the finance director has not shown cause and effect between share repurchases and the share price increase particularly in relation to my earlier point that share prices barely moved in five years.

<A - Jan Petrus du Plessis>: Thank you. I think I need to go to this side of the room. The gentleman immediately next to you there with the yellow card.

<Q>: Thank you. I'm [ph] Ian Prad (01:13:09), I'm a private shareholder. I've got a double-headed question. With more and more interest churn and climate change, what effects is that having on your coal mining operations and income? I'm not a green, I'm not a climate change fan or otherwise, but I just like to know how it's going to impact to you.

And then secondly, your company is there to mine and market minerals. Why do you seem to run virtually a lot of your own logistics capabilities when you, perhaps, could outsource it and be far more economically efficient?

<A - Jan Petrus du Plessis>: Let me say, thank you for the two questions. I know, I suspect there can be further questions on climate change later in the meeting. But in the moment, I can just briefly respond by saying to you that we think that coal will continue to be an important part of the global energy mix over the long run.

Although, as I'm sure you know, we agreed a while back in January to sell essentially all of our thermal coal assets in Australia to a Chinese-controlled company called Yancoal. We expect that transaction will continue and complete possibly in the second half of the year, which means that after that transaction, we will not have any further thermal

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coal assets left in our group. We will be left with some coking coal business which is, you would know, is actually not used for energy but used in the context of steel making. Those will be the only coal assets that we will have left in the group. Now, J-S, on the second question, a rather intriguing one, I think that's for the Chief Executive.

<A - Jean-Sébastien Jacques>: Thank you, Chairman. I'll answer into two parts here. The first one is, if you think about trucks, ships, the moving materials, most of it, today, is already outsourced. We are one of the largest user of shipping companies for obvious reasons. I mean we are going to move around 330 million to 340 million metric tonne of iron ore, for example, only this year. But we have very few ships in terms of ownership. And, therefore, most of those ships are chartered.

The second part of the question is, if you are referring to our 1,700 kilometers of railway and the four ports that we have in the Pilbara. The answer is very simple, we see this as a strategic advantage, as a competitive advantage, which is clear in the coal business. And we want to keep it because we believe that we extract lots of benefit from there. So that's the answer.

So ships, trucks, most of it is already outsourced. The railway that we have that we control is for us.

<A - Jan Petrus du Plessis>: Thank you, J-S. The gentleman on the left-hand corner here, please.

<Q - Simon Dubbins>: Thank you very much. I'm Simon Dubbins, I'm the Director of International for Unite the Union, and I'm also have been asked to say a couple of words on behalf of the steelworkers, The National Union of Mineworkers in South Africa, the CFMEU in Australia and IndustriALL Global Union. I think Chairman, members of the board and shareholders, there's a prepared statement, which I'm not going to read out to you here but will be issued in due course. I think what we really wanted to get across was it's far more normal for me to have been outside this meeting with some of our colleagues than inside it. So it's a very welcome change that we're in here and able to say a couple of positive things. I don't think it's a secret to any of you that there has been issues and some difficulties in the past.

What I really wanted to underline is that we have seen a sea change and a very important change during the last 12 months or so and been working very constructively and positively together. And we want to put on record our thanks and appreciation, obviously, to Jean-Sébastien Jacques, to Vera Kirikova, to Rick Willmott and [ph] Clark (01:17:37) for the hard work that they've invested in trying to improve some of the labor relations that exist. It's not easy to take bold steps, it's quite difficult, and it takes courage to do it. So we appreciate those steps that have been made.

I think it would also be remiss of me not to say that on our side, the union side, people have also put in serious work to try and make sure that the relationship improves and takes the form that it really should do. On the basis of that, since your last shareholder's meeting, I can confirm that we have seen serious improvements in the situation in relations in Canada and in the U.S. and, indeed, in Australia. We've been involved in many discussions about how to impede that – help impede that approach within the company and to cement it.

And we are certainly in the position now where there is an agreed set of principles by which the company will operate, and we are extremely pleased to see it's critically important for us that the company is committing to abide by ILO standards, in terms of the right to organize, the right to bargain, the right for a safe and healthy working environment, and then in a number of other areas as well. I think it's important and a couple of the questions were raised there. We see it's vital that the company also engages with environmental practices in the best possible way, as well as with community groups and we welcome the commitment to make sure that that happens as well.

Finally, share, it's really important – principles are one thing, but what's really important is a mechanism to deliver that and I'm pleased to say we had an extremely successful meeting here with the leaders of the unions that I've just mentioned, constituting the global steering committee for the relationships with Rio moving forward, and there will be fora put in place in the regions of the Americas, in Africa. There's an existing one in Europe. And we certainly hope looking forward that these will serve as a very effective structure to deal with some of the problems that have existed and will from time to time come up.

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So, yeah, we're not all of the way there, but we are pleased to say that we've seen a marked change, and it's great to see one of the global mining giants moving in the type of direction of modern work relationships, working with unions in partnership, the way forward, the best way for shareholders and the workers in the company is to engage and to cooperate rather than to look for confrontation and difficulties. So we just wanted to formally put that on record.

<A - Jan Petrus du Plessis>: Well, I'm not entirely sure to respond to that as Chairman. I've got this – I've been chairman of this company for eight years and that is going to be, by far, the most complementary observation I've ever heard at a shareholders' meeting. So I can say to you that it is absolutely wonderful to hear. I'm really appreciative of that. I know a lot of work has been done over the last 12 to 18 months to improve relationships. So, you mentioned it doesn't come as a complete surprise because I know much progress has been made. But I want to say to you two things. First, thanks – really thank you for having the courage to come to this meeting to acknowledge that. I really appreciate that very, very much.

Secondly, I will say to you that it takes two to tango and I know that our executives have worked hard to improve relationships, but I know that you and your other colleagues in the union would have equally worked very hard. So it could not have been done without your support. And so, from my side, I know J-S and others and Vera was in the [indiscernible] (01:21:27), they want me to tell you in turn, thank you very much for your ongoing support.

We won't always agree on things, but like some of the environmental things we're going to be discussing today, I'm sure. But I'll always agree by talking to each other, I think you've got a long way towards finding solutions and figuring out what's the best for the company and for the people who work for us. So thank you very, very much.

I'm going to go to the back there, yes, somebody with their hand up high, coming to you and in the – yeah, there we go.

<Q>: Good morning, Mr. Chairman. After that, I feel like I don't want to rain on the parade, but I've been coming here for many years. My name is [ph] Andrew Hickman (01:22:09), I'm an individual shareholder. To ask about Grasberg, and I was – in the context of the last question, I was a little bit surprised because as you know, in Grasberg, there've been many layoffs recently in this past year, as kind of a response to the Indonesian government's pressure on the company to change the contract that they currently have.

I am – feel like I'm a faithful shareholder, actually I was talking to my colleague here who's been coming for 26 years. But I want to ask a difficult question, which is about Rio Tinto's or the Grasberg's license to operate. And perhaps I could just quote Mr. Jacques' own statement this year very briefly. He talked about Rio Tinto needing to question whether to sell or walk away from Grasberg in 2021 and that that decision would need to be taken in the coming months and weeks. That's the report that I read.

You don't need me to explain to you how problematic this year has been for Grasberg, but the story of Grasberg is a pretty – you name it, it's got it, strikes, environmental pollution, conflict, layoffs, human rights violations in the zone around Grasberg. And to talk about the bottom line, which again obviously shareholders will appreciate to hear about, your own Annual Report talks about Rio Tinto's share of copper production in 2016 as being nil.

So, in the context of that, I also want to mention that within Indonesia and around the world, there is a lot of concern about this particular project. For example, there was a report in the scientific journal Nature, recently, talking about the terrible environmental impacts of the mine. There's an art exhibition in London right on at the moment which is talking about the impacts of the mine. And just 10 days ago, in Indonesia, there were demonstrations in eight cities calling for the closure of the mine.

So, my question to you to perhaps to use the phrase that Mr. Jacques used was is Grasberg essential, is it essential to human progress? Because if you are seriously thinking about Rio Tinto's continued participation in this project, please can you consider all these factors that they were talking about? Thank you very much.

<A - Jan Petrus du Plessis>: [ph] Mr. Hickman (01:25:18), yes, thank you. I also feel like I've known you quite well over the years. So, yes, good to see you again. I'm going to hand over to J-S in a moment, because I think as Chief Executive, he should address the core of your question. Maybe I'll make two comments first just sort of set the scene. The first I would say and I might have made this point last year and maybe even the year before, so I do apologize to

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some of you if I just repeat. But I want to say that in terms of the environmental issues at Grasberg, which I have observed personally.

So I've been there. I know what I'm talking about. I understand, of course, the controversies around riverine tailings management. But equally it's quite clear and you know this, you've heard me say this before, of course, that that mine is at the level above 4,000 meters above sea level. It's an area of seismic instability, regular earthquakes, very, very high rainfall and had the decision not been made all those many, many years ago to use riverine tailings as a means of dealing with tailings. I believe that mine would never have been developed. And I think most experts believe it would never have been developed, which begins to lead almost to the second question, of course. And that is should the mine be there?

And that's perhaps my – so on the environmental side, can I also say to you that I actually believe that the way in which it is being managed, given – I acknowledge that it is controversial, is exceptional. And I've personally seen areas of rehabilitation in the river banks which is hard to believe that once upon a time, this was a tailings deposit because you go there today, you see big trees, grass and lawns, et cetera. They're very, very good at rehabilitating the area.

Now, on the question which is a more broadly philosophical question. I actually – frankly, I have to take issue with you because that mine today – effectively at the bottom of the mine, as you know, there's a town called Timika with about 250,000 people. And in some shape or form, those people derive their livelihood from the places of the mine, from the 35,000 people that Freeport Indonesia employee on the site from all the subcontracting and other economic consequences. So, in my opinion, yes, I think that's a valuable asset. It provides employment to 35,000 people and it provides livelihood to effectively a town of 250,000 people. I think we must be very, very careful that you don't sit in an ivory tower in London and be too high minded about the environmental issues considering that you are talking about the livelihood of a small city.

But in terms of your other entirely valid questions, to the Chief Executive. J-S, please address [ph] Mr. Hickman's (01:27:51) question.

<A - Jean-Sébastien Jacques>: Thank you, Chair. First of all good morning, [ph] Mr. Hickman (01:27:58). Everybody knows I've got a sweet spot for Indonesia because that was my first job out of university 24 years ago, right. So, it's one of those very strong experience. Now, in relation to Grasberg, you're absolutely correct. At the time of the results, and I apologize for the people in the room. It's a slightly complicated story, so I'm going to try to make it as simple as I can. During the results time, in light of the decisions that were made by the Government of Indonesia mid-January, we had to make the statement that all options are on the table today in relation to Grasberg.

To explain in simple terms, in January, the government decided to change the rules really just before midnight and imposed some new rules in relation to tax stabilities, royalty stabilities, and share ownership by Indonesian parties. One point I want to make very clear is that I understand where you're coming from, but I can tell you and I'm 99.9% sure that this mine will continue because it's an important element of the Indonesian economy and therefore Rio or not Rio, Freeport or not Freeport, this mine will continue. And that was the philosophy, the logic behind the regulation that we've put in place in January.

So, going back to Rio Tinto now and what I said – I stand by what I said. There is no doubt that Grasberg is a world-class resource when you look at the content of the copper, of the gold, and so on and so forth. However, there is difference between a world-class resource and a world-class business. Depending on what may happen in the coming months and years in terms of negotiation with the government about the extension of the so-called contractor work beyond 2021, Rio Tinto will have to come to a conclusion about, do we want to stay in or not? Lots of consideration will be – or lots of elements will be taken into consideration. And as we said, I stick to what I said, is we'll inform the market as and when the situation evolve.

I'm sure you've noticed, was it last week? Yeah, last week, the government has given an extension and then asked for all parties to negotiate in the coming six months in order to find a solution which is a win-win solution for all parties. So, as and when this discussion progress, we will inform the market. But I want to make this point very clear is to say, this mine is not going to stop because the Government of Indonesia is very keen for this to continue for the reason that

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the Chair just mentioned.

<Q>: Just to come back very quickly. I mean, as you know, this is an ongoing discussion...

<A - Jean-Sébastien Jacques>: Yeah.

<Q>: ...to reply to the Chairman's comment. Yes, it does provide employment, but that employment has been used as a tool to hit the Indonesian government within these renegotiation processes by laying-off workers. But also, we have to – people need to understand the bigger context in Indonesia and particularly in West Papua and you will know from experience, the experience of Bougainville where thousands of people died because of the central role of that mine within a conflict.

West Papua has a latent and an apparent conflict going on and that conflict will not get resolved while situations like Grasberg continue. So my observation and my response to you is please think about that very seriously in your considerations about how to go forward on this. Thank you.

<A - Jan Petrus du Plessis>: [ph] Mr. Hickman (01:31:59), thank you very much for those observations. I know you mean them, and we take them on board. Thank you. Sorry. Yes, Arnaud Soirat is apparently going there next week. So he can pick up some of their thoughts. Can I go to the middle of the room, gentleman there with your hand up. Anyone of them, either the lady or the gentlemen, whoever wants to come first.

<Q>: Thank you very much. I'm [ph] Mamy Rakotondrainibe (01:32:22) from Collective for the Defence of Malagasy Lands. I'm speaking of QMM subsidiary of Rio Tinto in Madagascar. The inhabitants of a village named Antsotso are affected by the Rio Tinto company biodiversity offsetting. Report published by international NGOs last year has already raised that the community that was already living in precarious situation could not cultivate any longer at the traditional places and had to move far from the village near the seaside where the soil is not fertile and very sandy. So their crop decreased a lot. In addition, taking some wood inside the forest becomes forbidden so that the villagers cannot build new canoes to fish on the sea when their canoe become older or unusable.

In spite of my sharing of these issues with the shareholders here at the last AGM, nothing has been done by the company to correct or improve the situation. That's why a community representative wanted to come to London and to attend the AGM with an interpreter in order to testimony by himself in front of you of all their suffering now and to directly explicit their demands. Unfortunately, they were refused visa by the embassy office for scandalous reasons as mentioned in the British newspapers.

A video is now available where several villagers explain the negative consequences of this biodiversity offsetting on their life. The questions today to the company are, will the company go on ignoring the negative impacts of its biodiversity offsetting on the basic human rights to food of the Antsotso villages. If not, when will the company take the decision and effectively act to meet with the community to listen to their demands of alternative projects for agriculture and fishing to counterbalance what they lost?

Last week, after having seen the video on Internet, some QMM Rio Tinto employees came to the village and said that they would come back the day after to discuss about actions and projects. But they didn't come back after one week. So the company headquarter involvement should be the next emerging step. Thank you very much.

<A - Jan Petrus du Plessis>: Thank you for those observations and I recognize you for the long way to come here to London to make those points. We take it very seriously. And I do believe you and J-S are trying to arrange a meeting to get together sometime. I think it wasn't possible this week, but apparently you are trying to meet up next month...

<A - Jean-Sébastien Jacques>: In May.

<A - Jan Petrus du Plessis>: ...in May to discuss some of these matters in more detail. So, I think, I will simply say in general terms, as you know, as a company, we take our environmental obligations very, very seriously. We don't always get it right, but certainly in the case of Madagascar, we know they are super sensitive and we take them even more seriously. But J-S, why don't you respond in more detail to the issues that have been mentioned about on the ground matters.

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<A - Jean-Sébastien Jacques>: Yeah. Thank you, Chair. Good morning, [ph] Mamy (01:36:08). I mean we – or should I say bonjour. Bonjour. We tried to meet this morning, didn't work. I know the team is [indiscernible] (01:36:19) with you. I saw your e-mail by the way. So we'll try to make it in May. That's one aspect.

The second aspect is, I've been on many sites in the last 12 months, but I've not had the opportunity to go to Madagascar yet. And I can promise to you, I intend to go there pretty soon. So I want to see with my own eyes, as I did with ERA last year.

On the biodiversity offset, because that's what the question is about, so maybe I should step back and explain what the biodiversity offset means for everybody. In very, very simple terms, it means that we offset – we compensate for biodiversity losses we've gained somewhere else. I know, as Jan said, it can be controversial in some quarters, all right.

From a Rio standpoint, as of today, we've got around 19 offset project globally, including Madagascar. 84% – we checked the numbers, 84% today are requirements by the government in relation to permittings. There are a couple of them which are requirements from the lenders. So for example, in Mongolia, we have been requested when we put the \$4.4 billion of project finance last year, to run a series of offset programs and so on and so forth.

But I want to say that before we consider any offset project, it means the last resort, if I may put it this way. We look for avoidance, solutions, we look for minimization of impact and we look for restoration as well. However, sometime, as I said, the offset are imposed on us.

In the context of Madagascar, we have an offset project that you described very well. This was put in place before Rio Tinto, it's government requirements. And as you know, it's managed by NGO called ACT. I knew the question would come. So I've asked for head office team to go onsite. They were there two weeks ago. The reports I got was different from what I've heard today, and that's why the two of us and the respective team needs to sit down. I really want to understand what's happening on this one. And as I said, I'm pretty committed to go and see it with my own eyes and so on and so forth.

But offsetting is not always a bad thing. And if I may share, I may give two or three examples where I believe offsetting can have a positive impact. And I'm going to use the example I know very well which is from Mongolia.

As I mentioned, in the context of the project finance that we've put in place, the IFC, the World Bank, ask us to put in place some offsetting program and I'll give you a few example here. One of them is the following, poaching wildlife in Mongolia is a very important issue. And therefore, what we're doing today is working with the local herders, we're working with the custom officers in order to protect and prevent poaching, and I believe that's a very positive one.

Another one which is in relation to – there is a high-voltage line coming from China to provide the electricity to our mines. And what we are putting in its place is – I don't know how it works, if I'm very honest – some device on the poles just to scare the birds in order to make sure they don't get burned and so on and so forth, and we can see already a difference.

Another one is [ph] reiteration (01:40:09). And we have nothing to do with it. But we said we would do it. It's to remove all the fences along the railway line between Ulaanbaatar and Beijing in order to make sure that the wildlife can cross the railway and so on and so forth. And when you look at the numbers, you will see the wildlife growing up and so on and so forth.

So we understand what's offsetting. As I said, it's the last resort for us. In the context of Madagascar, I'm keen that two of us talk together. [Foreign Language] (01:40:36).

<Q>: [inaudible] (01:40:39)

<A - Jean-Sébastien Jacques>: Merci.

<A - Jan Petrus du Plessis>: J-S, thank you for that answer. And I don't want to add except to say I think it's quite clear we take this seriously. And, J-S will meet with you and try and deal with it. Am I missing somebody on this side of the hall? There is – yeah, at the back there. The gentleman who is sort of almost standing up now. Yeah.

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<Q>: [ph] Chris Parnell (01:41:04) I'm an individual shareholder. I'd just like to ask you a few. If you would say a bit more about why it's thought necessary to propose resolution 19 about making political party donations. I'm opposed to making political party donations. So I'm a little uncertain, despite your assurance, why it's necessary to have this resolution in view of our existing policy. So I'd appreciate it if you could say a bit more about why this resolution is before us.

<A - Jan Petrus du Plessis>: Yes, [ph] Parnell (01:41:41), of course, yes. This resolution tries to respond to a piece of legislation that the British Government brought in, I think, about six to seven years ago, essentially requiring companies if they wish to make political donations to make sure that companies are only able to do that with the permission of shareholders.

Now, we have an absolute policy. I want to repeat, we have an absolute policy of not making political donations. We haven't made political donations last year and we don't intend to make political donations this year. The problem is, if you look at the small print of the act, the definition of what is a political donation, what is a political organization is very, very wide. And it could easily catch things that we do on quite a regular basis as part of the way we run the business. It's part of our process of engaging, for example, with the external world.

We just want to be sure that if ever inadvertently, somebody concludes that a payment we made was actually a political donation, that we don't breach the UK Companies there – not the Companies Act, but forget what – but the UK law. So this is a precautionary measure-only, we have no intention of getting involved in politics.

<Q>: Thank you very much.

<A - Jan Petrus du Plessis>: Yes, just come forward a bit, the lady with the card there.

<Q - Yvonne Orenge>: Thank you. Hello, my name is Yvonne Orenge; I'm representative of the Andrew Lees Trust. And I want to pick up on the discussion about Madagascar and the QMM mine. And just to say hello, Mr. Jacques, good to welcome you here as the new CEO. But just to point out that last resort on biodiversity is the IUCN guideline; anyway it's not a company policy particularly.

But I'm really wanting to talk about the whole question of transparency, and I welcome the fact that the company has become leader in tax payment transparency. And I would imagine that the shareholders here want even greater transparency about how you do conduct your business in the countries particularly where there is weak governance, as in Madagascar, so that communities like the one that [ph] Madam Mamy (01:43:46) has mentioned are not deleteriously affected by the companies and the behavior of the staff there.

And I say that because I know from my own experience and I have 20 years of experience of coming to your meetings and I spent six years living in Fort Dauphin, where the mine is, and I know that both my staff and that currently communities and other people are intimidated and harassed if they try to complain about some of the way that things are happening or particularly things that are not happening in Madagascar, which unfortunately over the many years, there have been many, and I have sat with your executive team in London to discuss those over many years.

I particularly want to raise today two questions which is, to ask the company if they can explain why QMM has breached a legal buffer zone, which is in place under national law to protect waterways, waterways that feed into the town and which lead into areas where people drink and fish the water, and they've breached the buffer zones and created a man-made extension of land into a legal buffer zone. That's one question. I don't expect you to know the answer because this is being kept so off the radar. I'm sure the members of your own company down in Madagascar possibly don't even know about it. Yet, the evidence is there on Google Earth.

The second question is, why is there still no transparency at all over the radioactivity pathways of this mine? And we know that you're very, very conscious of health and safety for your own staff, and that's welcomed. But how conscious you are of the health and safety of the communities who might be affected by the tailings, which are so far behind now on rehabilitation in this area are of some concern.

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The radioactivity question was pushed under the carpet 22 years ago. I remember because I was in the town when local regional representatives were explaining that the company had assured everybody there was no risk of radioactivity. But the amount and the quantities of ilmenite that is being dredged with the consequent byproducts of monazite and zircon mean that levels of the norm, that is the uranium and the thorium are now very high, and so this should be a concern. And I've taken advice on that from radioactivity experts.

And I would very much like the company to become more transparent, and I'm sure the shareholders would want that too, because they won't want to be taking home all hard-earned profits that you're making on their behalf knowing that it's putting very poor people living on less than a dollar a day at severe risk of their health.

<A - Jan Petrus du Plessis>: Firstly, of course, your comments are obviously noted. J-S, did you want to comment? I'm afraid I'm out of my depths.

<A - Jean-Sébastien Jacques>: Yeah. I mean, Chairman, first of all, thanks a lot for the question. I can tell you that we are monitoring. We have a broad range of monitoring device. I mean, water is constantly monitored and no pollution has been noticed. On the radioactivity, we are monitoring as well.

But once again, I know you're working very closely with, [ph] Mamy (1:47:03) is, I think the best way forward here, because it's so technical, so specific to one side that I think we should push for the meeting in May. I'll bring the right people in the room. And I can only reset what I said is, I will come onsite and I want to see it with my own eyes as I did last year in ERA, for example, that's the only thing I can – the only answer I can give you today.

<Q - Yvonne Orenge>: Thank you. I welcome that, but I would like to ask publicly in front of the shareholders, because I have sat in meetings and given hours and hours of my voluntary time to Rio Tinto giving advice on how to do better communications and holding the company's account on compensation. With a zero result, we were promised all sorts of reports which were never given.

So, I want an assurance in front of your shareholders here that whatever is discussed in these meetings is put into the public domain. The findings around radioactivity and what you're doing about monitoring is put into the public domain, because even your biodiversity committee, who resigned last year in 2016, is still not in the public domain that the shareholders here probably don't know that's happened.

So, people are left guessing about what's going on about this project. And I don't think that's what you aspire to be a Tier 1 leader operator. So, I would like that assurance from you that this information can be made much more public in future, because it's been really hard to hold the company, QMM particularly. And I think that they do represent a reputational risk for Rio Tinto in their lack of transparency.

<A - Jan Petrus du Plessis>: Maybe I can just say that firstly, we believe in transparency. In fact, before continuing, I even want to say to you more importantly that as you would have picked up from J-S's remarks this morning, again, we absolutely understand in our business that unless we are sensitive to the communities within we operate, we will not be in business. We used to call it our license to operate. J-S prefers to call it a privilege to operate. So we really understand that. So, we respond to the words like this. And I will say to you that there are many examples, which I won't mention now, but over the years, in my time as Chairman, when people like you have come to this meeting, raise things with us, and we've taken it up and we've responded to it. So, we do respond to things like this.

I've often said also at this meeting that meetings like this serve a purpose, because they do provide a forum for somebody like yourself to come along and make your point, and we take them seriously. So, I don't think I can say much more than that. Thank you.

<Q - Yvonne Orenge>: Thank you. I'd like to spare the shareholders my presence of future meetings. Thank you.

<A - Jan Petrus du Plessis>: Where do I go next? Can I say this – yes, this gentleman. Next, remind me, let's go back to Madagascar maybe. Yes? And then next to you.

<Q>: This is not Madagascar. This is Bougainville. My name is [ph] Richard Solly (1:49:57) and I'm a shareholder. I'd like to ask about the company's legacy in Bougainville. Concerning the June 2016 transfer of Rio Tinto's shares in

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Bougainville Copper Limited to the governments of Papua New Guinea and Bougainville, there's a note on page 167 of the current annual report, which says the carrying value has previously been fully impaired, and therefore, the transfer resulted in no financial impact for the year ended December 31, 2016, which I supposed is equivalent to saying that the shares are worthless.

Presumably, the only way of extracting any value from the shares would involve reopening the mine, but Bougainville Copper Limited estimates that the costs of reopening the Panguna Mine would exceed \$5 billion, and this does not account for the expenses of concluding several essential due diligence studies. It would take years to get the mine up and running again, and doing so would deepen dangerous divisions among the people of Bougainville.

So, I have two questions. Did Rio Tinto or Bougainville Copper Limited ever commissioned any studies of the environmental damage caused by the mine waste to the Jaba River and surrounding regions including an assessment of cleanup costs. And if so, will you make those studies public?

Secondly, how does Rio Tinto reconcile its claimed commitment to sustainable development, environmental stewardship and protection of the environment with a mess it has left behind on Bougainville, surely one of the greatest environmental disasters in the world?

<A - Jan Petrus du Plessis>: [ph] Mr. Solly (1:51:45), I will respond to the two points you made. The first, I will explain that to be clear, in our opinion, we have decided long time ago that we as a company will not be allowed to and have no desire to go back and try and develop this mine. So, the fact that in our own books we attribute a zero value, which doesn't suggest that in the right hands or the right owners and the right stakeholders this mine couldn't indeed yet again be an operating mine and be of some value.

So, I would just say it's more or less an accounting point. I just want to emphasize that the fact that we believe, in our hands [ph] it is a (1:52:19) value, it doesn't suggest that it has no value. To that extent, I can say beauty is in the eye of the beholder, and with the right owners and the right stakeholders involved and the local landowners now as owners, I think there is any chances up to them to decide how they want to develop this mine further.

The other comment I must make is that when we as a company, we're not saying we – I shouldn't say we, not meaning Rio Tinto, but Bougainville Copper. When Bougainville Copper left the site in 1989, when we were forced to do so, because of the circumstances at that time, I know that we were fully in compliant with all of our regulatory environmental obligations. We've not been allowed on site since that time which is, therefore, almost 30 years, and therefore, we have no idea. I can assure you we have no idea today as to what the environmental obligation on site might be. We've not being allowed to be on site since 1989.

<Q>: Could you answer the question about the environmental damage reports that I asked for?

<A - Jan Petrus du Plessis>: I am quite certain we've got no such reports, but I stand to be corrected. I'm quite confident. Is that correct, J-S?

<A - Jean-Sébastien Jacques>: We've not been there for 30 years as the Chairman said.

<Q>: I think the question refers to studies that would have been done while you were there.

<A - Jan Petrus du Plessis>: Before 1989?

<Q>: Yes.

<A - Jan Petrus du Plessis>: I can only say that when we were there in 1989, I am confident – because [ph] Mr. Solly (1:53:44), of course, I knew you'll be coming to this meeting, so I did my homework. I know that by 1989, we were fully in compliant with all of our environmental and other obligations. We haven't been on site for almost 30 years. So, since 1989, we have conducted no further studies.

<Q>: Thank you.

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<A - Jan Petrus du Plessis>: Thank you. I'm going to go to the gentleman on this side, with his arm up, just in front of you. There we go.

<Q>: Thank you, Chairman. My name is [ph] Dinesh Jain (1:54:15), I'm an individual shareholder. First of all, I would like to thank you for your years of service to the company and wish you all the best for your new assignment at BT. I'd like to ask two questions, Chairman. One is on the level of capital expenditures, and the second there is regards to a Bunder diamond mine in India.

Now, first of all, regarding your capital expenditures. At the moment, last year, you spent \$3 billion. Now, that is less than even the depreciation we suffered during the year. We had depreciation of \$4.7 billion. So, in effect, we're eating up our capital as things go. And not only that, within that \$3 billion, you're also developing Oyu Tolgoi, [indiscernible] (1:55:06). And also, a new exciting new developments in Rio Tinto ventures for which has disappointed us, no mention in these reports. If you could please tell me what's happening over there as well? That would need capital as well. So, how do you propose that all these our depreciation, these three big developments, our ventures projects all would be covered in such small capital expenditures?

And second, regards Bunder project. Our company discovered diamonds in Madhya Pradesh in India in 2004. 27.5 million carats of diamonds were discovered there. And since then, for the past 13 years, we've been doing all kinds of studies, getting samples out and little development works. We spent \$300 million there. Last year, Sam Walsh met the Indian Prime Minister Modi, as well in this regards. And then this February, you suddenly decide just to gift the whole thing back. I know you didn't ask us shareholders, either we don't recall voting on any resolution, you can't gift 27 million carat of diamonds. And I hope you've got a better argument that is just because it's under a National Park, because a plucky British company in Yorkshire, they're mining phosphates from under a National Park. So don't tell me we aren't good enough to mine diamonds from under a National Park? Thank you, Chairman.

<A - Jan Petrus du Plessis>: Thank you very much for the question. I shall take the easy one and I shall pass the difficult one to J-S.

So, on capital expenditures. Look, we recognize that capital expenditure last year was only about \$3 billion. We made it quite clear that actually we think that it is probably too low for our needs going forward, and I think Chris signaled earlier this morning that we have sort of indicated to the market this year is likely to be closer to about \$5 billion, and maybe the year thereafter about \$5.5 billion.

But we are fairly confident that that kind of envelope of \$5 billion, \$5.5 billion allows us to do two things. First, we must, in the first instance, expand the necessary maintenance capital to look after our installed capital base, we will always do that.

But secondly, we feel we have enough spending power available within that envelope over the next number of years to pursue the three main exciting growth projects, Silvergrass in Pilbara, Amrun in the northern part of Australia in bauxite, and of course, Mongolia, the underground development there.

So, we think, as a sensible balanced approach between growing our future, but not spending more than we can afford, which goes back to the early themes. We need to make sure we keep enough cash to look after shareholders in terms of dividend payments and in order to strengthen our balance sheet.

On Jadar, I can quickly mention that, yes, I think that what distinguishes us from some of our competitors and I completely endorse that, that within J-S's team, we have a group of people who are encouraged to think about the future in a different way. What might be the products that people in future would want to buy that we as a mining company can supply them with? And the Jadar project, which is the lithium project in Serbia you refer to is no doubt one of them.

In truth, today, there are small projects. That is why, as of today, we don't talk about them much, because in the sense of balance of the organization, they're not there yet, but maybe they turn out to be a valuable one day in the future. Now, J-S, the more tricky question about Bunder. Please, why don't you explain? Why did you decide to gift the business away?

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<A - Jean-Sébastien Jacques>: Thank you, Chair. I mean, the answer is very simple. We have a very thorough investment review process. We did strengthen this process a few years ago, as you know. The Bunder project in MP came to the Committee in Jan, help me, September? August? September of last year? We did look at the economics of the project. And I'm sure you've heard from Chris before, we have very clear threshold in terms of return for you, our shareholders.

And this project on the latest view that we had, not only in terms of resources, but in terms of CapEx, in terms of timing, in terms of OpEx, the returns were below the threshold. And therefore, did not – would not contribute to the quality growth that we are looking for. And therefore, we decided to exit. And then Arnaud and his team started to engage with the government and the stakeholders to see what would be the best way to exit. And we came to a conclusion that it was a gifting. And that's what we have implemented all year, this year.

So, to be very direct, the decision to exit Bunder was on the back of economics. Do you agree, Chris?

<A - Christopher J. Lynch>: Yeah.

<A - Jean-Sébastien Jacques>: Okay.

<A - Jan Petrus du Plessis>: Thank you. Can I just see how many questions we've got left in the room. We've got a gentleman in front here. In a few moments, we need to get a microphone to the front here. And can I just see – did you have your hand up, sir? Yeah. There and there. So, I've got about three more people. I'm going to go to that question and after that we need to get a microphone in front to Mr. Barton here as well. So, I'm not sure how you're going to get. Maybe microphone number two could begin to work your way to the front. So, you go first.

<Q>: Thanks very much and good morning. My name is [ph] Phil Clark (2:01:01). I'm more or less a happy shareholder actually. As it's not been said so far, can I just thank the management team for I think is actually a great set of results in the circumstances of low prices. I think it's a great job well done. I'm particularly excited by the reduction of net debt. I think that's a fabulous thing to do in the circumstances in which the business is faced. I'm really looking forward to the 2017 results with the prices picking up and hopefully it's going to be sharply more exciting for everyone concerned. Kind of so, I'd like to add my thanks to Mr. Jan's for your work. I mean you've lived through pretty hard times here. So, thank you so much for your work as Chairman.

Two questions though. Firstly, finance costs. They were much higher in 2016 than 2015 despite the lower debt levels. And that was because the accounts disclosed are being down to a loss on the early redemption of bonds of \$342 million. Can you please just explain what was going on there, please? And why we suffered that loss? And why we actually needed to do that?

Secondly, I was going to rant on about dividends and share buybacks, but that's been largely done. But I was also particularly puzzled by a mess, I just completely agree with all the comments so far. I don't like share buybacks. I was a bit puzzled though by the Chairman's report in here which said \$500 million would be applied to Rio Tinto plc shares and presumably not limited shares. So, why is that, please? Thank you.

<A - Jan Petrus du Plessis>: Thank you. I think I'm going to ask Chris, our CFO in a few moments to respond to your first question. In terms of the second question, the Rio Tinto plc shares typically trade at a discount which varies over time at somewhere between 10% and 15% to the Australian share. So as shareholders would know, technically, of course, this is a group with different companies and different shareholders. And although the Rio Tinto plc share in the UK and the Rio Tinto Limited share in Australia for practical purposes are the same thing, legally is not the same thing. And therefore, the share prices are different. So, typically, the UK share trades at a discount of between 10% and 15% to the Australian share and obviously therefore for us, it is cheaper to buy back the cheaper share rather than the more expensive share in Australia.

Chris, why don't you deal with Mr. [ph] Clark's (2:03:33) question on financing and bond buybacks?

<A - Christopher J. Lynch>: Yeah, thank you, Mr. [ph] Clark (2:03:37). The reason for that change in the financing cost was around, as you rightly pointed out, the earlier redemption of bonds. In last year, we had \$7.5 billion of early repurchases of bonds, and we had also another \$1.5 billion of debt that matured. So, in gross terms, we reduced the

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gross debt by \$9 billion. And what that does, it changes the repayment profile or the refinancing profile, such that we've got virtually nothing over the next three years. And the key issue there really is around reducing the overall level of gross debt. In order to do that, we to have [indiscernible] (2:04:24) NPV or a net present value neutral equation, but we pull forward the payment of remaining interest coupon and the differential for that. So, that's the way that that happens.

So, we reduced gross debt by \$9 billion. At the same time period, we drew down the project finance relating to Mongolia, the Oyu Tolgoi project, for another \$4.3 billion. So, a gross debt reduction, given that we fully consolidate the OT debt of just around the \$5 billion mark. So, this is really a function of reducing both gross debt, but also the net debt, which I think I fully agree with your comments about reducing the net debt. And over the period since June of 2013, where it was above \$22 billion of net debt is now \$9.6 billion at period end. So, that's been very, very good progress.

<A - Jan Petrus du Plessis>: Thank you, Chris. Can we have a microphone for Mr. Barton at front here, just in the very front row. Don't fall over the chair. Don't hurt yourself, please. That would be a work-related injury. Rodney, that will not be good. Thank you.

<Q - Rodney Barton>: That will ruin the Annual Meeting. Thank you, Jan. Rodney Barton, West Yorkshire Pension Fund. First, I'd like to thank you for the constructive meetings that we've had during this year. Both of you and other Rio Tinto personnel. I represent the Local Authority Pension Fund Forum, whose member funds were among the more than 100 Institutional Investors which file their shareholder resolution to last year's AGM, which requested enhanced reporting in your routine annual reporting on Rio Tinto's strategic resilience to 2035 and beyond, in relation to risks and opportunities posed by climate change.

We welcome the publication for climate change report, identifying actions the company is taking, in line with the areas highlighted in the resolution. We also acknowledge, appreciate the updated – sorry, acknowledging the support for the Paris agreement and long-term goal to limit the global average temperature rise to well below 2 degrees centigrade. As you have identified in certain areas, more information will be required for investors to understand the full nature of climate risk to Rio Tinto and how these are being managed.

Both I and my colleagues from the Institutional Investors Group on Climate Change would like to highlight some of these today. We consider three climate change scenarios set out are very positive start and value the commitment to cover more on the user scenarios and the businesses resilience in a 2 degree scenario in future reporting.

In doing so, we would like you to provide more detail on the potential impact for Rio Tinto under the scenario with both qualitative and quantitative descriptions of the likely financial implications. These should include those for capital allocation and research and development in line with the latest FSB guidance? Thank you.

<A - Jan Petrus du Plessis>: Mr. Barton – Rodney, thank you very much. Can I say firstly, I think on behalf of all my colleagues, J-S, myself, Matthew, and others, we thank you for the way in which we've been able to work with you and others over the last year. As I think I said at the AGM last year, this is a journey and I think it's turning out to be a journey. So, we've taken the first step. Thank you for some of your complements about our first step. And not unexpectedly, you're encouraging us to begin to think of the second step and that's your job and I respect that entirely.

So, I wanted to start there. I meant initially to perhaps repeat in my response some of our observations of early, but I think that's duplication. I think at this point in time people know. I've already said in my speech and J-S mentioned in his speech, he said, for about 20 years, we've been talking about carbon. I previously stated to you that our view is that carbon pricing, what has been for many, many years, partly by decision-making process is quite rightly so. It will continue to be the case. So, I don't think I need to restate our credentials in the broader area.

On the specific point you make, I guess I want to, for a moment, go back to the discussion on Madagascar we had earlier. Because it's quite a sensitive point and I deliberately raised that. I think that this is a bit like the environmental issues that we raised. Some of the stuff is difficult. So, we've started a journey, we're going to learn, we're going to do some more scenario planning work, but we need to figure out.

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And this is actually quite difficult is to determine once you develop the scenarios, how would your business perform in each of those scenarios, and they test the resilience of your portfolio against that scenario. So, it's really difficult to reach the point where we move away from, as you say, purely qualitative to quantitative conclusions. So I think in the interest of transparency today, I think it may be quite a while before we as a company actually as bold as to put the dollars and dollars and cents on the consequences of the work that we do. So we're not disagreeing. We're just saying give us some time, because that's a bold statement.

And why I relate this to Madagascar is, I think, when in 2004, this company, our predecessors, none of us were around. In 2004, this company made the statement about net positive impact. It was very well meant. I'm sure it was well meant and well-intended and for years and years and years, our colleagues try to do that. The reality is, we found it to be almost impossible, which is why last year we decided to move away from the net positive impact commitment in respect of the environment. And I'll leave with my chin. We're not proud of that. It's embarrassing to make an aspirational statement and 12 years later you realize you cannot live up to that.

So, in the context of climate change, in the sense we've learned our lessons, so we want to be very careful. We'd rather be slow. We'd rather be slightly behind the curve in terms of communications and in terms of commitments, because we know we make a commitment today, one day in 3, 5 and 10 years' time somebody else might be here, they have to live up those commitments. So that perhaps is why I'm simply emphasizing we will be quite cautious in terms of how we look forward, in particular in terms of quantifying the financial impact of climate change on our portfolio and on our capital allocation decisions. Thank you.

I think we should – please continue.

<Q - Helen Wildsmith>: Thank you. I'm Helen Wildsmith from CCLA, the Charity Specialist Fund Manager. I'm also the Chair of the Institutional Investor Group on Climate Change, their resolution subgroup, and that's a group of 18 trillion of investors in Europe. And I'd also like to thank you for the report that we've seen, and in particular for covering your public policy advocacy positions and industry [indiscernible] (2:11:55) memberships in detail.

Like Rio Tinto, we believe that climate change calls for collective action across policymakers, businesses, investors and wider society. Given fiduciary duties to beneficiaries over various time horizons, Mercer's, the global investment consultants, have challenged us the Institutional Investors to become future makers rather than future takers. We've seen this approach being adopted by the CEOs in the oil and gas sector through the creation of the oil and gas climate initiative and some of your peers taking active roles in high-profile, cross-sectoral initiatives like the FSB Task Force on climate-related financial disclosures.

As the new leadership team settles in, we'd welcome more insight about how Rio Tinto will help lead collective endeavors including via ICMM to ensure an orderly low-carbon transition that is ultimately in all our interest?

<A - Jan Petrus du Plessis>: Helen, look, firstly, thank you for those remarks. My thanks I previously extended to Rodney, of course, goes to you as well. I think we have always played a leadership role in our industry, and I think in this particular context, we will continue to do what we can in the context of the metals and minerals space to provide leadership. And you know how it goes with these organizations like the ICMM or the Minerals Council of Australia, not all of our members always agree, but our job is to try and influence them. And I think we will certainly I think see ourselves play a leading role in that context in the years ahead.

Our challenge is of course strategically to identify commercially viable pathways. That's the key to identify commercially viable pathways towards increasing productivity and, of course, energy in particular. I often say to people, the reason we want to save energy perhaps is not in the first instant, because of its impact on climate change, because it cost money. So Chris and J-S [indiscernible] (2:14:02), we need to usually – if we can save energy, we will spend less – we will save money and produce more profit. Thank you.

Was it a further question here, Rodney, from – Bruce, please, do go ahead.

<Q - Bruce Duguid>: Good morning. My name is Bruce Duguid and I'm a Director in the Stewardship team at Hermes Investment Management. We welcome the company's focus on greenhouse gas emissions reduction, which is one of

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the seven key performance indicators for the business. We would like to understand more details of the company's long-term plan to achieve its stated ambition recently reiterated in the republished public policy statement of seeking a substantial de-carbonization of the business by 2050.

And so we'd welcome your commitment to include more details on the following: A vision for the transformation of the company to low-carbon operations and the potential pathways to achieve this, how this connects to the company's business strategy including capital allocation and details of the financial materiality of investment in low-carbon research and development and the inclusion of stretching greenhouse gas emissions intensity targets in the executive remuneration score card, which would accord this metric an equivalent level of importance alongside the other key performance indicators including health and safety together with information on how these targets are set and the contribution made by different business areas. Thank you.

<A - Jan Petrus du Plessis>: Thank you very much. So once again, we note what you request here publicly. I know Matthew is aware of that in any event. And we will, of course, at the right time, respond again also to you privately about how we can progress this. Maybe I can just remind shareholders in this context again because we are talking about here setting intensity targets for the future. So I just want to remind others in the room that, of course, as I've indicated in my remarks that since 2008, we've actually reduced our energy intensity by 26% and the overall or aggregate number of emissions by about a third. So we have indeed made huge progress.

I'll also remind you, as I said today, that as we speak, 68% of all our electricity is from renewable sources. Not many global companies of our size can say that. I know that for a fact. So in fact, it's not as if we are badly placed, which doesn't mean we can't do more. But I think we're not badly placed. I'll say again, our challenge in all this is to identify commercially realistic targets. And I think equally that we are therefore going to take great care before we come up again in future targets. So we are working at the moment as to what we think should be in a post-2020 world, realistically the targets that we should aspire to. But picking up the theme of earlier, we're not going to make those commitments lightly. We're going to have to do quite a lot of serious work before we come out publicly with what we think we'd like to achieve.

Thank you. Can I just as a courtesy to – do you have any more questions, Rodney, no? You've made your points?

<Q>: No, we've made our points.

<A - Jan Petrus du Plessis>: Okay. Done? Thank you very much. I appreciate it. Are there any more questions or is it lunchtime?

<Q>: Yes.

<A - Jan Petrus du Plessis>: Lunchtime. Okay. There's one – yeah, there's two. That gentleman first. You go. And then I'm going to go to the other gentleman there and number three. And then I think it's lunchtime, yeah. Yes, okay. Yes, sir.

<Q>: My name's [ph] Tom Kolisch (02:17:53). I'm a grumpy individual shareholder. The dividend's come down by 21% if you look on page 1. And I need some advice on explaining to my wife she should spend 21% less. However, I then look to page 112, which said the total dividends paid. And these seem to have gone down from \$4 billion to \$2.7 billion, which is in fact a reduction of 30%, not 21%, which then brings me around to page 215 where we show the 10-year forecast. And you very nicely show dividends per share over 10 years. It would be far more interesting to show the total dividends per annum over 10 years because those two are definitely not lined up. That is the first thing that I picked up off the Annual Report.

There's another issue on the Annual Report that I started to look at which concerns the non-executive director's pay. Well, the non-executive directors are here to represent the shareholders, I always thought. Maybe they think otherwise. We elect them every year and I would expect them to look after our interests. On page 88, you show the figures in pounds of the amounts that the non-executive directors are paid. The £40,000 perhaps looks reasonable. Some of us might disagree here. But then there are all sorts of other allowances that are added in for other committee meetings, being chairman, travel allowances, et cetera. I started to add some of these up and thought they were in the low

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hundreds of thousands. But then I look on page 100 and those are the amounts actually paid to the non-executive shareholders. I might be wrong on that. And then I start to notice something. On page 88, the amounts are in pound sterling. On page 100, the amounts are in U.S. dollars.

I would very much like in the Annual Report that every amount is shown in one single currency. Even if you show it twice with the second single currency in brackets or something, it's a lot easier to work out the figures if we don't have a three-currency trick. And when I say three currencies, I'm talking about sterling, I'm talking about U.S. dollars and sometimes the magical Australian dollar appears. I will talk about that slightly further in that I'm a bit surprised that the Australian Chairman got a pay raise in pound sterling effect of about 16%. I'll leave you to comment on all my remarks.

<A - Jan Petrus du Plessis>: Thank you for those remarks. We don't mind grumpy shareholders. I'm going to do my best. I think the dividend points, Chris, are for you. I think the short answer to your questions about dividend is, of course, there is a difference between the cash flows in a given 12-month period and in the dividends. But we sometimes relate to a slightly different financial year. So, Chris, you can please – why don't you deal with the dividend question first?

<A - Christopher J. Lynch>: Okay, thanks very much. Yeah, that's exactly where the issue is. The first thing to observe is that we did – and we were the only company in the sector that changed their dividend policy. We honored the progressive dividend for as long as it was in the market. So we paid the last payment for the 2015 year in this time last year of just over \$2 billion. And then the interim dividend for the new policy was quite low. It was \$700 million. So the payments, cash flows during the course of the 2016 year, as you rightly point out, were about \$2.7 billion. The declarations, on the other hand, were up to \$3.1 billion. And the benefit of the changed policy is that shareholders will be able to participate in higher upsides in future periods. In the old progressive dividend policy, there was always a tendency to restrict the rate of increase on the basis that it had to be supported in a lower price environment or a lower return environment. So I think you rightly point out that this is the issue with the – it's the cash flows and it's also the declarations pertaining to the year under review. Jan, do you want – I think that's -

<A - Jan Petrus du Plessis>: I think that's possibly good enough. Thank you for that, Chris. In terms of NED pay, when it comes to NEDs – I'm not talking about the chairman, of course, but with regard to the NEDs – I should say, firstly, the process for recommending what an NED should be earning is led by myself together with two executive directors. And, of course, we appropriately get professional advice from outside. We then recommend to the board.

Now, I should say to you that for the last years, I've had an argument with our directors because in fact for the two previous years, I together with the executive directors recommended an increase for the directors and they refused to take it. So in fact, the increase we've announced this year is the first increase we've had for about three years. And I can tell you, sir, that if I look over the years and if we look – that is a complicated mix of a base fee and meeting attendance allowance and so on. But if you add it all up, I know that the increase over the last five or six years has been about 1%, 1.5% per annum. So really well below inflation. And certainly, may I say, well below what we pay our employees and certainly the employee pay rises we've seen during that time.

What I've got to say at the risk of embarrassing my colleagues, to be an NED of Rio Tinto is a tough job. This takes a lot of time. We do a lot of traveling. And I know that some of us might think traveling is exciting. But it's part of your grind. If you live in Canada; you've got to come to the UK five times a year, Australia twice a year and Mongolia last year. This year, we're going twice to Australia. We're going to Canada. We're going to Singapore to visit our commercial center. It is actually an interesting job. It's a challenging job, but it's a tough job. And therefore, I am really confident that what we pay our directors – I appreciate people think that in absolute terms, it's a lot of money. But if you want people of this caliber to get engaged and really give so much time and effort to the company, I think we pay them appropriately. But your point is made and I think you have every right to make your grumpy point. Thank you. I think we've got two more points left. Is that right? The gentleman in the middle there and then right at the back. And I think I'm going to make those the last two questions. Yeah. Sorry, I can't quite see you there. The lady with her hand up. I can't quite see – yeah, I'm sorry, yes. I'm getting to you. I'm trying to get to you. Sorry, I just couldn't see you there. The light's not good there.

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<Q>: Oh dear. Thank you, Mr. Chairman. I'm an individual shareholder and an Australian national. And it's probably better that you answer this question here than in Australia. The question for me is whether I understand something that I read in the Annual Report, which appeared to be saying that Rio Tinto would change its tax base, if that's the word, from Australia to Singapore. Perhaps you will explain what this is about because the corporate tax rate, presumably, in Singapore is lower or obviously Rio Tinto has enormous involvement with resources in Australia. So clearly, you should pay tax in Australia. Could you explain what that sentence meant exactly in the Annual Report? What are you intending to do? Are you intending to move, what, your corporate tax base to Singapore to pay less tax when there's so much activity for Rio Tinto in Australia? Perhaps you could explain it to me.

<A - Jan Petrus du Plessis>: Yes, I can, certainly. Now, I should have said the CFO can deal with it. But it's such an important question. I really want to demonstrate that as Chairman, I'm on top of the question. So, firstly – no, to be clear, many years ago, about 10 years ago, we recognized that we as a company need to become – we need to make efforts to get closer to our customers, our customers being Chinese, across the rest of Asia, Taiwan, Korea, Japan.

And so really about a decade ago, we started to accumulate a group of specialists in Singapore close to the market who can better interact with our customers. And what we are in the process of developing is a commercial center in Singapore in respect with all our products, not just Australian Iron Ore but all our products can be better marketed, coordinated and sold through Singapore and thereby to better serve our customers. We today in Singapore already employ 350 people. And that's the main reason I even alluded to it a few moments ago. The board is visiting Singapore later this year for a series of meetings in order to get a better understanding of what is happening there.

Having said that, there is no question that we are not moving our tax base from Australia. Please can I emphasize that? We are not moving our tax base from Australia. We are hugely important corporate taxpayers in Australia. The numbers had been mentioned this morning and had been published in our taxes paid report. I know a few years ago, we were making more money. I think there were two years running where we were the biggest corporate taxpayers in Australia. Now, I would have loved us to be the biggest corporate taxpayers again. We say we are not at the moment because we don't make the profits we used to make. But we have an absolute commitment to Australia. We pay a 30% average tax rate on our Australian profits. And I think that answers your question. Done?

<Q>: All right. Thank you. My Australian colleagues will keep an eye on that. Thank you -

<A - Jan Petrus du Plessis>: Absolutely welcome. There was one more question on the left and I think I'm going to make that the last question before lunch.

<Q>: Thank you, Chair. I'm also long-term shareholder, not quite back to my short trousers days. But I must have been holding a share in the company for 30 years or so, I guess. There was one matter which you passed over very briefly in your introduction and which gets a couple of lines buried in a page, I don't know, page 100-and-something in the Annual Report. And I guess I would like to try to just tease out a little bit more from you if it's possible to, particularly since it involves a number of firsts for the company and that is bribery and corruption, admitted and accepted and investigated bribery and corruption.

This is the case, which obviously you all know about and some shareholders will know about, currently being investigated by the Australian Federal Police, the U.S. Securities and Exchange Commission, the Serious Fraud Office in this country, the U.S. Department of Justice. I think there was a fifth outfit investigating it as well. But my note's only around four at the moment. That'll do. And this is the people that you dispensed with – this is in relation to the payments about which you dispensed with some very, very senior people back in November. And it's probably a first in the sense that I know that RTZ previously and Rio Tinto in its current manifestation has occasionally booted out people for not balancing the books. But this might be the first time it's thrown out such senior people for cooking the books.

I suppose in terms of trying to get some information out of you, were it to be possible, given that this issue all came to light – came to a head very suddenly late last year, which led to the removing people and investigations and police and so on. But it seems to relate to the payments actually made about five years before that. So who was sleeping on the job for that five years?

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<A - Jan Petrus du Plessis>: I would gladly answer – can I just be sure have you finished your question before I answer?

<Q>: Well, yeah, if you answer it, I've finished. Yes.

<A - Jan Petrus du Plessis>: Sure. I just wanted to make sure that I give you the holistic picture. So look, firstly, I think valid question. I appreciate the question. Important topic. As I said in my remarks today, a very upsetting experience for all of us last year. I think Rio Tinto is a company with great values. I said multiple times today. I'm sure we don't always get it right, be it with regard to environment or whatever. But I think this company has great values. One of the things I've really loved in the last eight years is working for a company where people really believe we know we want to do the right thing. And therefore, to come across a situation where it appears, perhaps we did not do the right thing, was a very upsetting experience for all of us to go through.

It's a very sensitive topic. And therefore, legally speaking, a severe limit to what I can say. What I want to assure you is that when we became aware of this matter last year, we investigated it immediately. We, as a board, immediately decided to involve external legal counsel, specialists in this area, who have not done work for us before. So we assure it's a completely independent firm that deals with this. And we take it very, very seriously. As I also indicated, we indeed had not several discussions, but we appointed a special committee under my Chairmanship to be sure we give enough time as is required to deal with this matter.

Our conclusion was when we looked at the matter is that we have seen enough to convince us that we have an obligation to voluntarily report to all the authorities that you've identified – I think there are five or six of them – to report to them that we think something might have gone wrong. And I use that word deliberately, because I want you to know we have not admitted bribery. We have not once said we've admitted bribery. We've not once said we've admitted corruption.

What we believe, our conclusion has been that what we have seen is that the payment of \$10.5 million that was made in 2011 was done in a manner which is not consistent with our internal code of conduct, our rules of engagement. We call it The Way We Work. That is why we made the decision in relation to our due colleagues and that is why we made the decision to self-report to the authorities.

The final thing I should say to you is, gosh, we wish we never had this problem. But I think we have handled it as well as we could. And in particular, the regulatory authorities know we are committed to work with them proactively and transparently to help the authorities get to the bottom of this. And we will work with them as best we can to get the best positive outcome.

<Q>: But if it took five years for any of this to come to light, what else might be hidden in the cupboard?

<A - Jan Petrus du Plessis>: It's a fair challenge. We ask ourselves the question. It will not surprise you to know that when something like this happens, we immediately ask ourselves, are there other things we should be looking at. And of course, that's what we have been doing. I can say to you that as I speak here today, we have not discovered anywhere in the group similar issues. But that's not to say that we didn't ask the question because, of course, we did. You would have expected us to ask ourselves if something like this happened, could it have happened elsewhere. And we are vigilant. We've looked at it very, very closely. Because once you've been hurt like that, you really want to be sure that it hasn't happened elsewhere. Thank you.

<Q>: [Question Inaudible] (02:34:26-02:34:58).

<A - Jan Petrus du Plessis>: Well, can I say firstly, look, they had the opportunity to come to the meeting. I actually expected them to come to the meeting. I'm not sure why he didn't come today.

<Q>: [Question Inaudible] (02:35:08-02:35:13).

<A - Jan Petrus du Plessis>: Well, can I say firstly, if you want to make your point briefly, I will respond briefly. But I have – a few moments ago asked any more questions, there were more questions. My strong sense is -

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<Q>: [Question Inaudible] (02:35:22).

<A - Jan Petrus du Plessis>: Okay. Can we get a microphone to the gentleman? And we may make it the last question of the day.

<Q>: [Question Inaudible] (02:35:28).

<A - Jan Petrus du Plessis>: I'm going to give you the microphone, sir. You go.

<Q>: Thank you. [ph] Richard Harkinson (02:35:33), individual shareholder. So the question is just going through copper project. There was talk about \$1 billion cash flow in Copper & Diamonds. Then you go to page 199 to look there, you probably see in the Copper section, evaluation projects, there's probably indicated spending on Resolution. And I can't think of anything else. There's a problem there.

There's a mine that is going to – Rio Tinto acquired against the wishes of the First Nations there, the San Carlos Apache. This was included in a defense appropriations bill on December 19, 2015. So the land was privatized by order, by a rider in a huge must-pass defense bill. The impact is that it will destroy the Apache Leap, which is where historically – the San Carlos would face suicide rather than complete loss of their ancestral lands. That's still ancestral lands.

What is happening is that Forest Service in their proceedings, information has come that Rio Tinto, which will be the operator, has identified half the water needs so far. What you've got in Arizona is it's plagued by drought and which in the future, it will continue. The allocations of water from the Colorado River will be reduced within 18 months. Rio Tinto wants it developed.

Rio Tinto was asked last year if you'd indemnify against loss of a Queens Valley (sic) [Queen Valley] village there because Rio Tinto wants to build a tailings dam, a toxic tailings dam above it, upgradient from it. That was put to you. And okay, there's not enough water. There's a prospect of a dangerous tailings dam. Looking at how you manage risk assessment – risk management on your projects is really difficult within your Annual Report.

The situation, you want to use block caving there, which is a controversial method you seem to be plowing ahead with. You did it at Palabora in South Africa and you walked away from it. You're doing it in Grasberg two years ago. There were 48 deaths in Grasberg. You want to do it in Oyu Tolgoi and you persuaded the IFC and the EBRD to finance that.

Presently, you've indicated that that project is going ahead with block caving. Block caving does away with the ability to use traditional methods of bord and pillar to be able to backfill the underground mine spaces. The whole process is an unpredictable collapse of ore bodies down into a section below using wastes, the access tunnels that are put into the project. These are hugely controversial projects. You want to do it at Resolution. And I mean the people there say there is no water because concentrating copper is -

<A - Jan Petrus du Plessis>: Now, can we just try and draw it to a conclusion?

<Q>: Okay. So why don't you -

<A - Jan Petrus du Plessis>: We get the point. Do you mind just -

<Q>: Why don't you say you'll not do the Resolution project, which is I can't see that you're going to shift on anything else? And why don't you use a safer alternative to block caving at Oyu Tolgoi?

<A - Jan Petrus du Plessis>: [ph] Mr. Harkinson (02:39:46), yes, look, I think you've said quite a number of things. I'll give you to J-S in a few seconds. But to keep it brief, firstly, we are going to continue with the Resolution project to be clear. We think it's a very, very attractive project and I have no doubt that that is a mine that will be in operation for many, many decades.

Secondly, I have sympathy with a lot of your questions, except your comments about block caving. I've never heard block caving being described as controversial. And I should say I actually object against your statement that we did it in Palabora and walked away from it. Frankly speaking, sir, it's not appropriate. We started block caving in Palabora

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five decades ago. That was a hugely prosperous mine employing lots of people very successfully for five decades until we decided about two or three years ago that it had reached a stage where actually there are other people who would like to own the business and take it further. So we did nothing wrong in Palabora. There's nothing controversial about it. I just disagree with your statement. J-S, do you want to conclude?

<A - Jean-Sébastien Jacques>: Yeah. Thank you, Chair. So I'll make a few comments about Resolution. So the permitting process is underway. As you mentioned, it's led by the U.S. Forest Services. You've done your homework. Already 10 Native American tribes are in the process. And I'm sure you're aware that currently as we're having this conversation, the U.S. Forest Services is negotiating an MOU with the San Carlos tribe. That's the first point I want to make.

The second point is I'm not aware of any water issues. And by the way, you should know that a big chunk of the water we have secured for the next 40 years was bought from some of those tribes, some of those Native American tribes. The permitting process in the U.S. is very slow. But it's very comprehensive and we are working very closely with the authorities. It's based on consultations. The extent of consultation is very, very significant. And we will go through the process, as we've done for the last two and a half years, in a very professional way. And all the aspect that you mentioned will be – and some of them have already been covered by the way – will be covered through this process. So I was in the U.S. three weeks ago. We had conversation with the Trump administration in that regard to make sure that the process continues in the appropriate manner. And I've got full confidence in the process. Thank you.

Jan Petrus du Plessis

Thank you very much. And ladies and gentlemen, I think we've now had a very full and a fair discussion about lots of issues. Very good questions. I thank you all for your contributions and for all of your questions.

Now, many of you have already sent in your proxy cards and so you do not need to vote now. But those of you who have not appointed a proxy and now, being eligible, wish to vote, should complete your voting card now. These are the white cards which you were given when you arrived earlier this morning.

Please now cast your votes by completing your poll card and either hand your completed card to the registrar staff or post it in one of the ballot boxes at the entrance as you leave the hall. If you have any difficulty, one of our attendants will be happy to assist you. I should remind you that the polls will close approximately 15 minutes after the end of the meeting.

The results of the polls on the Resolutions 20 to 23 will be announced as soon as possible this afternoon and will be posted on the Rio Tinto website. The results for the polls on the remaining resolutions will be published after the Rio Tinto Limited AGM in Sydney on Thursday, the 4th of May.

Ladies and gentlemen, this brings us to the end of the meeting. And on behalf of the board, I would like to thank all shareholders for your participation, your support and for your questions. I hope that you have the time to join my fellow directors and members of the executive management team and me for some light refreshments in the [indiscernible] (02:43:34) suite on the first floor. There are signs outside the door to show you the way as to how to get there. And please do remember, when you leave, to hand in your completed poll card.

And I now declare this meeting closed. Thank you.

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